2018-2019

CEDAR PARK

CITY OF CEDAR PARK, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

CITY OF CEDAR PARK, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2019

PREPARED BY

FINANCE DEPARTMENT

CEDAR PARK

CITY OF CEDAR PARK, TEXAS

PRINCIPAL CITY OFFICIALS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

CORBIN VAN ARSDALE – MAYOR

MICHAEL GUEVARA – MAYOR PRO-TEM

TIM KELLY – COUNCIL MEMBER

MEL KIRKLAND – COUNCIL MEMBER

ANNE DUFFY – COUNCIL MEMBER

RODNEY T ROBINSON – COUNCIL MEMBER

DORIAN CHAVEZ – COUNCIL MEMBER

BRENDA EIVENS – CITY MANAGER

JP LECOMPTE – CITY ATTORNEY

LEANN QUINN – CITY SECRETARY

CITY OF CEDAR PARK, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019

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CEDAR PARK

INTRODUCTORY SECTION

February 11, 2020

Honorable Mayor and Members of the City Council
City of Cedar Park, Texas

The Comprehensive Annual Financial Report (CAFR) for the City of Cedar Park (the "City") for the fiscal year ended September 30, 2019, including the independent auditors' report, is hereby submitted. This CAFR is published to provide the Mayor and City Council, City staff, our citizens, representatives of financial institutions, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City.

The full responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City established and maintains a system of internal accounting controls designed in part to provide reasonable assurance that assets are safeguarded against loss, theft, or unauthorized use, and that financial records can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States of America (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 derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The City of Cedar Park's financial statements have been audited by RSM US LLP, a firm of licensed certified public accountants. The independent auditors issued an unmodified opinion on the City of Cedar Park's financial statements for the fiscal year ended September 30, 2019. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) can be found immediately following the auditors' report. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements.

CEDAR PARK GENERAL INFORMATION

Cedar Park is vibrant, maturing central Texas City located primarily in southwestern Williamson County, one of the fastest growing counties in the nation. Situated only 20 miles from downtown Austin, the State Capitol of Texas, Cedar Park is on the leading edge of major growth in the Austin metropolitan region and provides commercial and residential facilities for numerous employees of the industries located in the area.

Prior to the 1970's, Cedar Park was a small, unincorporated rural community somewhat remote from Austin. Officially incorporated in 1973 and becoming a home-rule city in 1987, the City is now governed by a Mayor and six City Council members, with day-to-day activities being directed by a City Manager. The population of Cedar Park has more than tripled since the 2000 Census was conducted, growing from a population of 26,049 to a current population of 79,259, with an additional 20,110 residents in the City's Extra Territorial Jurisdiction (ETJ).

The City provides a full range of services, which includes police and fire protection, parks and library, construction and maintenance of infrastructure, planning and community development, and general administrative services. Additionally, the City owns and operates a water treatment and wastewater plant and provides solid waste services. In response to the rapid population growth Cedar Park has experienced, the City's infrastructure, streets, utility systems, and service delivery are rapidly developing to meet needs. Utility service, as well as streets and transportation improvements, will continue to be a priority in the future.

FACTORS AFFECTING FINANCIAL CONDITION

Retail development experienced in previous years has led to a robust sales tax and property tax base and the City's Economic Development Department continues to work with existing and prospective new businesses to encourage expansion of existing companies and relocation of new businesses to Cedar Park.

New Commercial Development:

James Avery, an artisan jewelry designer and manufacturer, has purchased land in Scottsdale Crossing for a second Corporate Headquarters for the company. The James Avery second headquarters will consist of a 35,000 square foot facility. At full operation, James Avery will create 102 jobs with an estimated annual payroll of $7,650,000.

Voltabox was recently awarded a Texas Enterprise Zone designation from the State of Texas for its expansion project. The expansion will result in the creation of 137 new full-time jobs and $8.4 Million in new payroll.

AMT recently announced plans to open its North American Headquarters at the Brushy Creek Corporate Center in Cedar Park. AMT in a UK based company specializing in the design, development, manufacturing, and delivery of 3D printing equipment. AMT will occupy 18,000 square feet of space at the facility. AMT plans to create 100 jobs with an annual payroll of $8 Million.

ABEO – Crystal Practice Management, an area medical software company has announced plans to move its headquarters to Cedar Park. The company will soon relocate its headquarters into a 9,500 square foot facility located at 12112 Anderson Mill Road in Cedar Park. The project has a total estimated capital investment of $2,000,000 and will create 41 jobs.

TIG Real Estate has completed construction of two 20,000 square foot buildings and two 30,000 square foot buildings at Scottsdale Crossing. Additionally, iSports has commenced construction on a 240,000 square foot indoor sports complex and training center.

MSB, a Consulting Firm for school districts, has announced plans to move into Cedar Park. MSB plans to lease 45,000 square feet. The Company anticipates employing 269 employees with an annual payroll of $16,600,000.

All of this recent commercial development activity has led to marked increases in the City's sales tax revenue over the past several years. There are a number of exciting developments that are currently being worked on that will also have a positive impact on the City's economy. Sales tax is received by the City at a rate of one percent of taxable sales to the general fund, one half percent to the type B Community Development Corporation, three-eighths of a percent to the Type A Economic Development Corporation, and one-eighth of a percent to drainage improvements.

Financial Planning:

The City has a long history of conservative fiscal planning. By monitoring the economy and the City's own revenue and expenditure streams continuously, the City has been able to adjust quickly to shifts and changes. The City also believes that long-term planning contributes to financial resiliency, and the City is dedicated to monitoring revenues and expenditures on a five-year horizon.

Each year City Council reviews and approves the City of Cedar Park Financial Policies. These policies provide guidelines for the day-to-day planning and operating of the City's financial affairs. The policies focus on issues such as the appropriate level for the fund balance of the General Fund and Water and Sewer Utility Fund, Utility Fund transfer to the General Fund, sales tax budget level, and Utility Fund coverage ratio. These financial policies have aided the City in maintaining its strong financial position.

Budgeting Controls:

Each year, on or before September 30, the City Council adopts an annual operating budget for the ensuing fiscal year. The budget includes projected revenues and expenditures for the General Fund, Debt Service Fund, and proprietary funds. The budget is a planning device that defines the type, quality, and quantity of goods and services that will be provided to our residents. In addition to the annual budget, staff creates a five-year outlook of the General Fund and a six-year outlook of construction budgets to show the expenditure cost over time allowing the City to prepare for future funding challenges.

The budget process begins in March with a budget kick-off event with the department directors. City Council goals are reviewed, and directors receive departmental financial history and current financial status, budget preparation forms, and general guidelines. General guidelines include being conservative with new requests, tying requests to Council goals, and identifying future needs and significant expenditures beyond the current budget process. Throughout the process, the City Manager, the Director of Finance, and the Assistant Director of Finance work closely with the directors to review program requests and analyze line-item expenditures. Funds are reallocated as deemed appropriate to maximize the quality of service our residents receive. Requests not funded in the current year may be added to the five-year outlook in order to better align the expenditure need with a funding opportunity.

The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that departments contain their expenditures within limitations adopted by the City Council and monitored / managed by the City management. Finance reviews all expenditure purchases and verifies that they are required to meet the intended goods and services levels of the adopted budget. The budgeted Departmental and Fund totals may be modified only after a public hearing and adoption of a resolution by the Council. Departmental line-items may be modified with Finance and/or City Manager approval.

As stated above, the City also began a more formal process of long-range forecasting in order to plan for future needs. City management's analysis of known and projected impacts to future revenues and expenditures are presented to the Council during budget workshops. As the City grows to build-out, the City is prepared for not only the expenditure cost of the current budget but also how the ongoing expenditures will affect future years. The forecast is especially useful in providing an outlook on how current and future debt service will impact the ad valorem rate, which is the City's largest source of governmental revenues. This process will continue into future budget development.

Major Initiatives:

General Obligation Bonds

In Fiscal Year 2014-2015, City Council formed the Bond Advisory Task Force, a committee made up of board members and interested citizens who were charged with recommending a bond package to the Cedar Park City Council for consideration. In November 2015, a $96.7 million bond package was approved by voters. This approved bond package contains funding for a variety of future projects in four categories: Streets and Roads, Public Safety, Public Library, and Parks and Recreation.

The Streets and Roads bond includes funding for a number of transportation projects, such as the construction of New Hope Road between Cottonwood Creek Trail and Ronald Regan Boulevard and Phase 2 of the Anderson Mill Road project, which will widen sections of that road to improve traffic flow and driver safety. This bond proposal also includes funding for design and right-of-way acquisition costs related to future Whitestone Boulevard improvements and a number of other potential road projects including the

overlay of existing arterial roadways and a variety of turn lane improvements throughout the city. One of the most talked about items in the bond package is the redevelopment of Bell Boulevard, which is also included in the Streets and Roads category. This project plans to realign Bell Boulevard to make better use of the land in this area with plans to support redevelopment of the section of Bell Boulevard between Cypress Creek Road and Park Street into a vibrant mixed-use destination with retail establishments, residential units, and office spaces. The project is currently under design. The schematic phase of the project is substantially complete with submission of the plans to the Texas Department of Transportation for review and approval.

The Public Safety bond category included funding for the construction of a fifth fire station on the North side of the City, as well as an expansion to the Police Department. The Library bond category includes funding for construction, renovation, or other costs relating to the Public Library system, and the Parks and Recreation bond category includes funding for a variety of projects, which includes the development of the new Lakeline Park, and the construction of additional trails and bike facilities, and other park amenities.

Quarry Purchase

In August 2015, Cedar Park purchased the rock quarry located along Anderson Mill Road from the City of Austin. As part of the purchase agreement, quarrying activities will begin to taper off and will be ceased entirely by 2020. Future planning efforts will determine the land use for the 215 acres purchased by the City.

Cash Management:

Cash temporarily idle during the year was invested in certificates of deposit, federal government securities, federal agencies, municipal securities, commercial paper, TexPool, and TexSTAR. TexPool and TexSTAR are Local Government Investment Pools (LGIPs) authorized by the State Comptroller's Office.

Over recent years, market interest rates continue to fluctuate. The City is reducing the level of its funds held in LGIPs and increasing the variety and longevity of other investments in order to maximize interest earnings while maintaining required liquidity levels. Our strategy is to increase the weighted average maturity in order to increase interest earnings but keep ourselves poised to take advantage of higher yielding opportunities as they become available.

The City's investment policies stress minimization of credit and market risks while maintaining a competitive yield. Accordingly, bank deposits held throughout the period were either insured by federal depository insurance or collateralized, except as noted on page 42, notes to the financial statements. All collateral for deposits was held either by the City, its agent, or a bona fide third-party custodian in an account in the City's name. All of the deposits held by the City during the year and at September 30, 2019 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

Awards and Acknowledgements:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Park for its CAFR for the fiscal year ended September 30, 2018. This was the 27th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements.

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

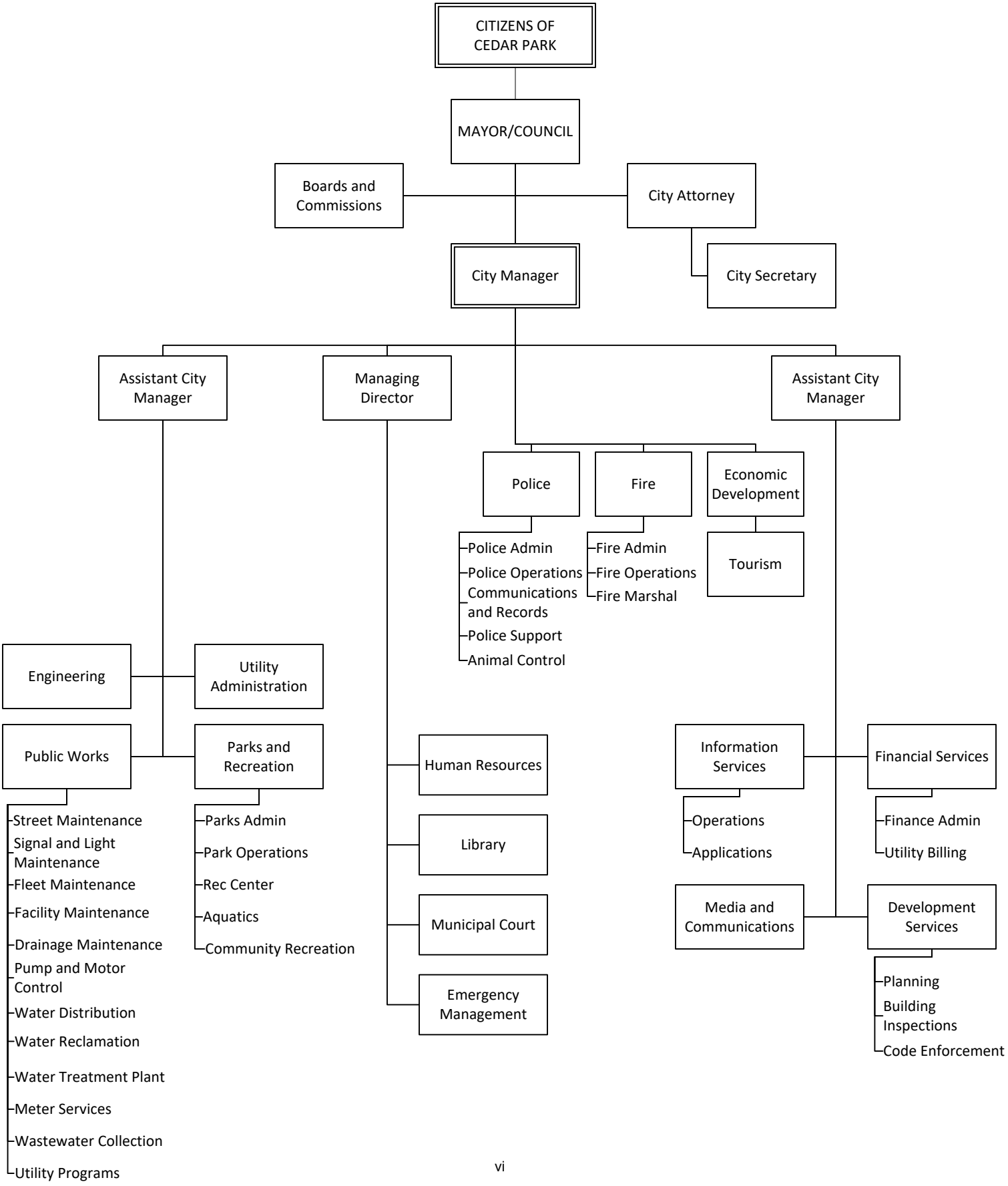
The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of the CAFR. Credit also must be given to the

Mayor, the City Council, and the City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Cedar Park's finances.

Respectfully submitted,

Kent Meredith, CPA
Director of Finance

CITY OF CEDAR PARK



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cedar Park

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

CEDAR PARK

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CEDAR PARK

FINANCIAL SECTION

RSM

RSM US LLP

Independent Auditor's Report

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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 Revenues, Expenditures and Changes in Fund Balance Budget and Actual—General Fund; Schedule of Changes in Net Pension Liability and Related Ratios; Schedule of Contributions and Other Postemployment Benefits—Schedule of Changes in Total Liability and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from, and relate 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, 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.

RSM US LLP

Austin, Texas
February 11, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) section of the City of Cedar Park's (the "City") Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – v of this report.

FINANCIAL HIGHLIGHTS

Government-wide Financial Statements

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the end of the fiscal year 2019, resulting in $526,617,986 of net position. Net position for governmental activities totaled $270,731,365 while net position for business-type activities is $255,886,621. The largest portion of net position consists of net investment in capital assets, which is $447,400,423.

The City's unrestricted net position, which may be used to meet the City's ongoing obligations, is $17,090,113. A deficit of $10,336,864 is reported as unrestricted for governmental activities, and $27,426,977 is reported as unrestricted for business-type activities. The deficit in unrestricted governmental net position is attributable to outstanding debt of $27,886,240 related to business-type assets, resulting from improvement district annexations in fiscal year 2015, as well as the contribution of a road asset to the State of Texas.

The City's total net position increased $17,157,564 or 3.4% during fiscal year 2019. The City's total increase in net position consists of an increase in governmental net position of $11,821,964, or 4.6%, and an increase in business-type activities $5,335,600, or 2.1%.

Total revenues for the City decreased $15,587,360. Revenues for governmental activities decreased $13,850,095 and revenues for business-type activities decreased $1,737,265. Total expenses for the City increased $11,025,734. Expenses for governmental activities increased $9,186,157 while expenses for business-type activities increased $1,839,577.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements, which begin on page 14 of this report, are designed to provide readers with a broad overview of the City of Cedar Park's finances, in a manner similar to a private-sector business.

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Both of the government-wide financial statements distinguish functions of the City of Cedar Park that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, culture and recreation, streets and lighting, and Economic Development. The business-type activities of the City of Cedar Park include water, sewer and solid waste operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Community Development Corporation and a legally separate Economic Development Corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories – governmental, proprietary 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 current sources and uses 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Beginning on page 16 of this report, information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, Capital Projects Fund which are considered to be major funds. Data from the Other Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of these Other Governmental Funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water and sewer and solid waste activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for maintenance and replacement costs of vehicles, computers and heavy equipment, and to pay employee healthcare insurance premiums. These services predominantly benefit governmental rather than business-type functions, and have been included within governmental activities in the government-wide financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Solid Waste Fund, which are reported as major funds. The Solid Waste Fund does not meet the criteria of a major fund, as established in GASB Statement No. 34, but is reported as a major fund because it is the City's only other enterprise fund. Also, separate information is provided for the Internal Service Fund on the proprietary fund financial statements.

The basic proprietary fund financial statements can be found beginning on page 24 of this report.

Fiduciary Funds

Fiduciary funds account for resources held by the City in a trustee capacity or as an agent for the benefit of parties outside the City. Fiduciary funds include trust type funds. Trust fund statements allow the City to present the other post-employment benefit trust fund. While the fund represents a trust responsibility, the assets are restricted in purpose and do not represent discretionary resources of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

The fiduciary fund statements can be found beginning on page 32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 35 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) immediately following the basic financial statements and related notes section of this report. The City adopts an annual appropriated budget for the General Fund. RSI provides a comparison of revenues, expenditures and other financing sources and uses to budget and demonstrates budgetary compliance for General Fund departments. In addition, trend information related to the City's retirement and other post-employment benefits plans is presented in RSI. Following RSI are other combining fund statements and schedules that further support the information in the financial statements. The combining fund statements and schedules for special revenue funds are presented beginning on page 90 of this report.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects a summary of net position compared to prior year:

Condensed Statement of Net Position
as of September 30

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	$125,660,795	134,350,006	73,777,503	70,391,270	199,438,298	204,741,276
Capital assets	375,993,960	369,210,600	224,616,962	228,032,351	600,610,922	597,242,951
Total Assets	501,654,755	503,560,606	298,394,465	298,423,621	800,049,220	801,984,227
Deferred outflows of resources	17,876,682	12,841,704	3,945,766	3,312,711	21,822,448	16,154,415
Current liabilities	7,089,433	8,653,073	2,655,539	2,579,677	9,744,972	11,232,750
Noncurrent liabilities	239,425,158	247,221,642	43,429,954	48,347,320	282,855,112	295,568,962
Total Liabilities	246,514,591	255,874,715	46,085,493	50,926,997	292,600,084	306,801,712
Deferred inflows of resources	2,285,481	1,618,194	368,117	258,314	2,653,598	1,876,508
Net position:						
Net investment in capital asse	255,604,961	229,635,077	191,795,462	189,619,955	447,400,423	419,255,032
Restricted	25,463,268	34,763,196	36,664,182	35,556,201	62,127,450	70,319,397
Unrestricted	(10,336,864)	(5,488,872)	27,426,977	25,374,865	17,090,113	19,885,993
Total Net Position	$270,731,365	258,909,401	255,886,621	250,551,021	526,617,986	509,460,422

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

As noted earlier, net position may serve over time as a useful indicator of government's financial position. As of September 30, 2019, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $526,617,986. Total assets decreased by $1,935,007, while total liabilities decreased $14,201,628. Governmental assets decreased by $1,905,851 and business-type assets decreased by $29,156. Governmental liabilities decreased $9,360,124 and business-type liabilities decreased $4,841,504.

The decrease in governmental total assets of $1,905,851 was primarily attributable to an $11,821,964 contribution to net assets from operating activities, offset by debt payments of $14,030,000. Governmental liabilities decreased $9,360,124 primarily due to debt payments and amortizations of $18,767,652 and decrease in current liabilities of $1,563,640 offset by increases to pension and other post-employment benefit liabilities of $6,446,524 and $4,180,955, respectively.

The decrease in business-type total assets of $29,156 is primarily attributable to a change in net position of $5,335,600, as provided by operating activities, offset by debt principal payments of $5,960,000. The decrease in business-type liabilities of $4,841,504 is primarily attributable to debt payments and amortizations of $6,649,774 offset by increases to pension and other post-employment benefit liabilities of $996,140 and $650,495, respectively.

The largest portion of the City's net position is invested in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets, is $447,400,423 or 85.0% of the City's total net position. The City uses these capital assets to provide service 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.

A portion of the City's net position, $62,127,450, represents resources that are subject to restriction on how they may be used. The remaining balance of unrestricted net position, $17,090,113, may be used to meet the City's obligations to citizens and creditors.

Changes in Net Position

Total net position of the City increased $17,157,564. Governmental net position increased by $11,821,964. Governmental revenues exceeded expenses by $6,972,912, before net transfers of $4,849,052 from business-type activities. Business-type activities net position increased $5,335,600 due to revenues exceeding expenses by $10,184,652, before net transfers to governmental activities of $4,849,052.

The governmental net position of the City increased by $11,821,964 as provided by operating activities, while the City's governmental unrestricted net position decreased $4,847,992. The difference between the net position increase and unrestricted net position decrease is largely attributable to the reduction of bonds payable from restricted funds which shifted more of the total net position to net investment in capital assets. The business-type net position of the city increased by $5,335,600, as provided by operating activities, and business-type unrestricted net position increased $2,052,112. The difference between the total net position increase and the unrestricted net position increase is largely attributable to the acquisition of capital assets with unrestricted funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

The following table provides a summary of the City's operations for the year ended September 30, 2019:

Changes in Net Position Information
for the year ended September 30,

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 6,572,835	7,128,692	35,950,988	36,768,289	42,523,823	43,896,981
Operating grants and contributions	3,186,484	3,852,990	-	-	3,186,484	3,852,990
Capital grants and contributions	5,689,061	23,320,818	4,237,743	6,057,751	9,926,804	29,378,569
General revenues:						
Property taxes	42,482,849	40,111,523	-	-	42,482,849	40,111,523
Sales taxes	16,643,855	14,491,767	-	-	16,643,855	14,491,767
Franchise taxes	3,630,594	3,905,889	-	-	3,630,594	3,905,889
Other taxes	1,323,756	1,110,747	-	-	1,323,756	1,110,747
Interest and other	5,979,477	5,436,580	1,754,192	854,148	7,733,669	6,290,728
Total revenues	85,508,911	99,359,006	41,942,923	43,680,188	127,451,834	143,039,194
Expenses:						
General government	19,758,605	18,399,052	-	-	19,758,605	18,399,052
Public safety	32,739,840	30,433,765	-	-	32,739,840	30,433,765
Culture and recreation	7,421,237	6,794,649	-	-	7,421,237	6,794,649
Streets and lighting	7,860,419	6,972,588	-	-	7,860,419	6,972,588
Economic development	4,032,010	3,669,205	-	-	4,032,010	3,669,205
Interest on long-term debt	6,723,888	3,080,583	-	-	6,723,888	3,080,583
Water and sewer	-	-	27,632,098	25,972,076	27,632,098	25,972,076
Solid waste	-	-	4,126,173	3,946,618	4,126,173	3,946,618
Total expenses	78,535,999	69,349,842	31,758,271	29,918,694	110,294,270	99,268,536
Excess before transfers	6,972,912	30,009,164	10,184,652	13,761,494	17,157,564	43,770,658
Transfers	4,849,052	5,004,741	(4,849,052)	(5,004,741)	-	-
Increase (decrease) in net position	11,821,964	35,013,905	5,335,600	8,756,753	17,157,564	43,770,658
Net position, beginning	258,909,401	225,367,925	250,551,021	241,899,719	509,460,422	467,267,644
Prior period adjustment	-	(1,472,429)	-	(105,451)	-	(1,577,880)
Net position, beginning as restated	258,909,401	223,895,496	250,551,021	241,794,268	509,460,422	465,689,764
Net position, ending	$ 270,731,365	$ 258,909,401	$ 255,886,621	$ 250,551,021	$ 526,617,986	$ 509,460,422

General/Program Revenues and Expenses – Governmental Activities

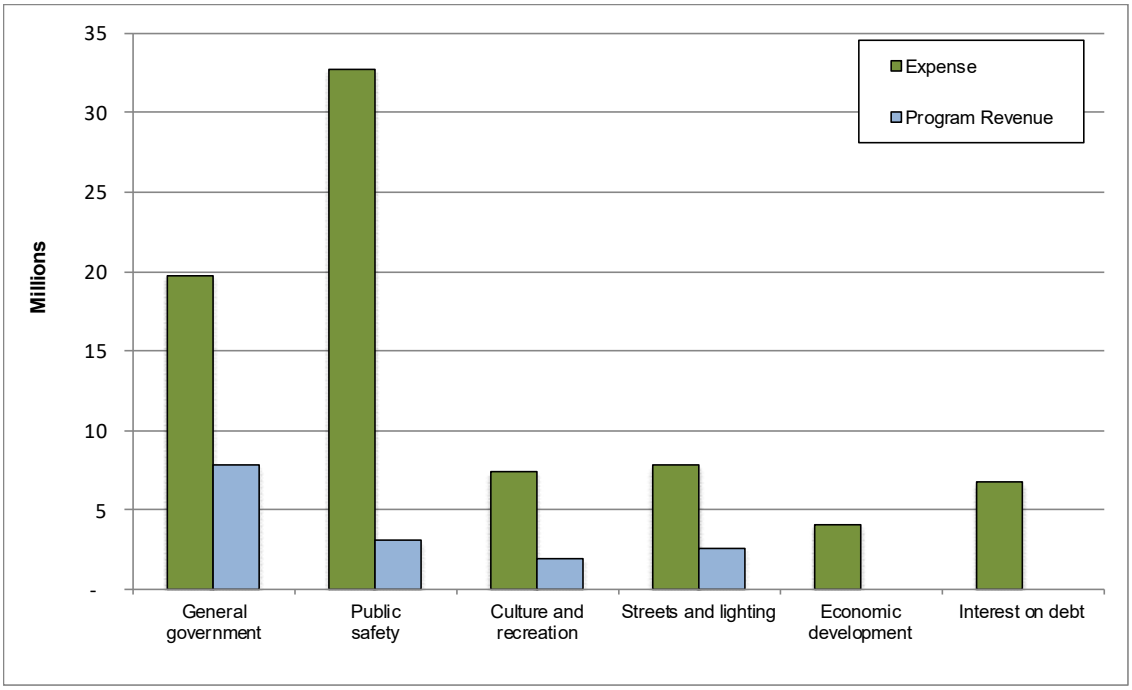
Governmental activities increased the City's net position by $11,821,964 or 4.6% during fiscal year 2019. The increase was attributable to a number of factors, including:

- $2,371,326 increase in property tax (ad valorem) collections. Although the City reduced the property tax rates for fiscal year 2019, an increase in assessed values and new development increased overall collections compared to the prior fiscal year. Fiscal year 2019 marked the sixth consecutive tax rate decrease.
- $2,152,088 increase in sales tax collections due to continued economic growth.
- $4,849,052 transfer from the business-type activities to the governmental activities for support provided to the utility systems.
- $5,689,061 received in capital grants and contributions.
- $3,186,484 received in operating grants and contributions.
- An increase in interest and other revenues of $542,897 due to improved market conditions.
- Increased operating expenses of $9,186,157.

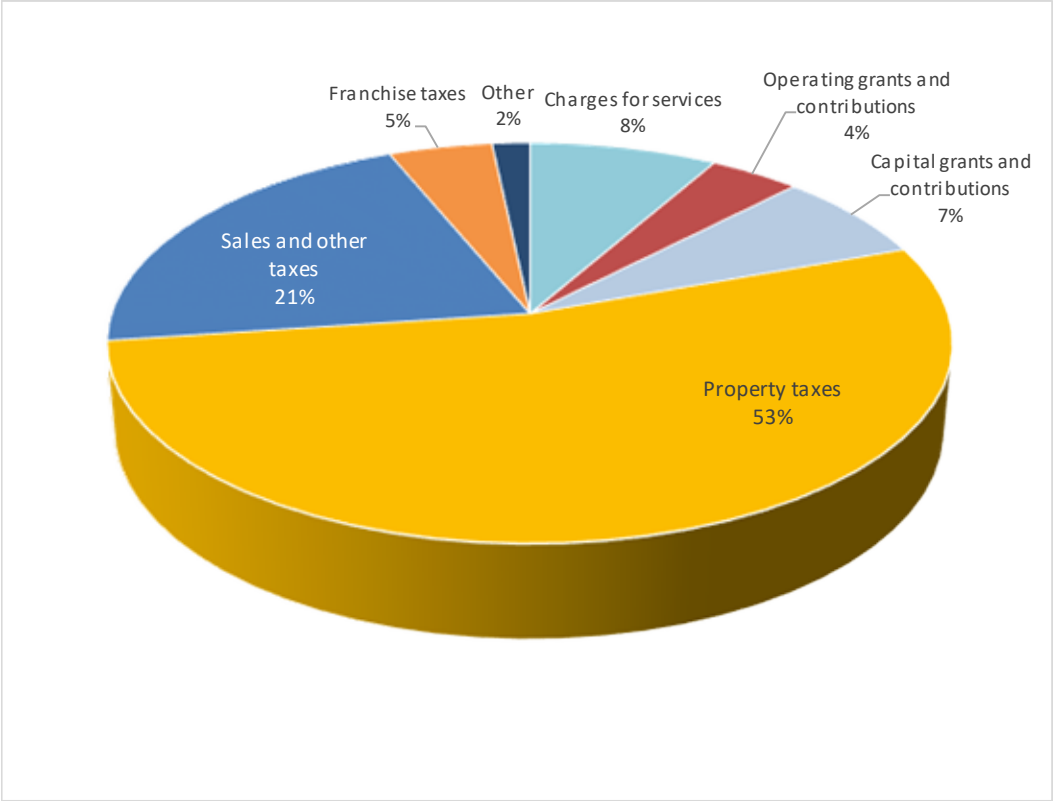
FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

The chart below illustrates the City's governmental expenses and revenues by function: general government, public safety, culture and recreation, streets and lighting, economic development and interest on debt.

Government-wide Program Expenses and Revenues – Governmental Activities



General revenues such as property taxes, sales taxes, and franchise taxes are not shown by program, but are used to support all governmental activities. Property taxes are the largest source of governmental revenues, followed by sales and other taxes, charges for services, and capital grants and contributions.



FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

Program Revenues and Expenses – Business-type Activities

Business-type activities increased the City's net position by $5,335,600 or 2.1% during fiscal year 2019. In most cases, an increase to net position is a result of activities outperforming budget projections. The increase in net position in fiscal year 2019 was primarily attributable to a number of factors, including:

- Service revenues of $35,950,988 exceeding operating expenses of $31,758,271 by $4,192,717.
- Capital grants and contributions of $4,237,743.
- Interest and other revenue of $1,754,192.
- $4,849,052 transfer from the business-type activities to the governmental activities for support provided to the utility systems.

FINANCIAL ANALYSIS OF FUND-LEVEL STATEMENTS

Governmental Funds

The focus of the City of Cedar Park's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Cedar Park's governmental funds reported combined ending fund balances of $119,762,672. Approximately 24.6% of this total amount, $24,745,744, represents unassigned fund balance. The remainder of the fund balance, $75,866,373, is nonspendable, committed, assigned or restricted to indicate it is not available for new spending.

The General Fund is the chief operating account of the City. Unassigned fund balance for the General Fund was $24,745,744 at the end of the current fiscal year, which also represents the total unrestricted fund balance for governmental funds. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance are approximately 45.2% and 46.2%, respectively, of total General Fund expenditures of $54,688,045.

The General Fund fund balance increased $3,111,647 during fiscal year 2019 primarily due to lower than expected expenditures across all departments.

Fund balance in the Debt Service Fund increased $1,469,462 for the fiscal year ended September 30, 2019. The primary factor contributing to the increase is greater than expected other revenues of $1,225,951.

Fund balance for the Capital Projects Fund decreased $10,740,422 in the current year primarily due to capital outlay exceeding fund revenues and transfers in.

FINANCIAL ANALYSIS OF FUND LEVEL STATEMENTS, (continued)

Proprietary Funds

The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Overall, net position of the City's enterprise funds increased $5,094,499 (excluding internal service funds).

Factors that contributed to the increase in net position are discussed in the business-type activities section of the government-wide financial statement analysis.

OTHER INFORMATION

General Fund Budgetary Highlights

Throughout the year, the budget is amended by City Council to appropriately reflect year-end projections and fund various projects and initiatives. During fiscal year 2019, the General Fund revenue budget was amended to increase the reimbursement to the General Fund from the Type A fund to offset the cost of a new position and additional contract services the General Fund.

The General Fund budget was also amended at the departmental level by reallocating budgeted employee compensation and vacancy savings from our General administrative department into the appropriate departments. Because these adjustments related to compensation and vacancy savings were all within the General Fund, there was no change to overall appropriations and no net impact to the General Fund.

At the beginning of the fiscal year, funding in the amount of $840,000 was initially budgeted in the Public Works department to be set aside for the implementation of a comprehensive program to address storm water and drainage issues throughout the City. A budget amendment was approved prior to fiscal year end to transfer these funds for three drainage capital projects including Cluck Creek Lower, Ranchettes 2 & 3 Central, and Riviera Springs East.

Revenues for fiscal year 2019 were $127,018 or 0.2% more than budgeted. Property tax collections totaled $442,798 more than budget, primarily related to higher than anticipated collections and values. Sales tax came in 1.8% below budget, or $250,280 less than budget. Although collections came in 2.1% higher than the previous year, sales tax came in 120% over budget lower than anticipated due to a decrease in building material supplies sales. Additionally, development fees came in 285,744 less than budget.

Actual expenditures were $1,557,560, or 2.8% less than budgeted for the fiscal year, including transfers. The expenditure savings were largely attributable to an across-the-board savings in personnel and economic development incentives, and the administrative contingency account.

OTHER INFORMATION, continued

Capital Assets

The City's capital assets for governmental and business-type activities as of September 30, 2019, totaled $600,610,922 (net of accumulated depreciation). Capital assets include land and other non-depreciable assets, buildings and improvements, machinery and equipment, infrastructure, intangible assets and construction in progress.

Capital Asset Information, Net
September 30

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and other non-depreciable assets	$ 57,993,016	50,639,539	3,948,355	3,948,355	61,941,371	54,587,894
Construction in progress	7,228,743	18,269,504	4,303,147	4,061,703	11,531,890	22,331,207
Intangible assets	20,768	-	-	-	20,768	-
Building and improvements	82,296,608	80,550,011	17,964,565	18,775,482	100,261,173	99,325,493
Machinery and equipment	14,870,583	15,719,023	5,421,099	6,267,002	20,291,682	21,986,025
Infrastructure	213,584,242	204,032,523	192,979,796	194,979,809	406,564,038	399,012,332
Total net capital assets	$ 375,993,960	369,210,600	224,616,962	228,032,351	600,610,922	597,242,951

- Governmental capital assets increased $6,783,360 primarily attributable to capital outlay for road improvements, including the acquisition of right of way and structures, and public safety improvements related to the construction and equipping of a new fire station, and expansion of the police station.
- Business-type capital assets decreased $3,415,389 primarily due to depreciation expenditures out pacing construction activity for the year.

Additional information on the City's capital assets can be found in note 2.D (page 53) of this report.

Debt Administration

At the end of the current fiscal year, the City of Cedar Park reported $242,423,438 in outstanding debt. The table below reflects the outstanding debt at September 30.

Outstanding Debt Information

	Governmental Activities		Business-type Activities		Total	
Primary Government Debt	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 137,095,000	148,940,000	1,545,000	2,570,000	138,640,000	151,510,000
Certificates of obligation	19,960,000	22,525,000	180,000	355,000	20,140,000	22,880,000
Economic development bonds	35,200,000	37,200,000	-	-	35,200,000	37,200,000
Revenue bonds	-	-	33,460,000	38,220,000	33,460,000	38,220,000
Premium on issuance of bonds	11,805,625	14,008,496	2,904,755	3,594,529	14,710,380	17,603,025
Discount on issuance of bonds	-	-	-	-	-	-
Note payable	273,058	427,840	-	-	273,058	427,840
Total primary government	$ 204,333,683	223,101,336	38,089,755	44,739,529	242,423,438	267,840,865

OTHER INFORMATION, continued

The City's bond ratings at September 30, 2019 for the City's general obligation and revenue bonds are as follows:

	Moody's Investors Service, Inc.		Standard & Poor's	
Debt	2019	2018	2019	2018
General obligation bonds	Aa2	Aa2	AA+	AA+
Utility system revenue bonc	Aa2	Aa2	AA+	AA+
Community Dev Corp	-	-	AA	AA

Additional information on the City of Cedar Park's long term-debt can be found in note 2-F (page 58) of this report.

Economic Factors and Next Year's Budgets and Rates

Cedar Park is a vibrant, maturing city that has experienced steady growth over the past several years. The City continues to be among the fastest growing cities in the country. Cedar Park continues to attract people with its unique charm, safe communities, and business-friendly environment. The FY 2020 budget delivers value and protects our community assets for which the City is known, from our robust parks system to public safety excellence.

The budget recognizes that the decisions made today in the management of the City's finances frame and guide the City's ability to provide exceptional service, safety, and infrastructure not only today, but also into the future. As Cedar Park enters its 47th year as a city, we proudly reflect on how Cedar Park's steady growth over the years has transformed us into the vibrant community that we are today. This budget delivers value to our residents with continued public safety excellence and maintaining and enhancing our community assets making Cedar Park a great place to live.

Ad Valorem tax is the largest revenue source for the City of Cedar Park and is split between the General Fund (Operations and Maintenance) and Debt Service (Interest and Sinking tax rate). The FY 2020 ad valorem tax rate is $0.4470 per $100 valuation, which is a decrease from the FY 2019 rate of $0.4490 per $100. The average taxable household value increased from $319,600 to $333,200. The tax rate approved by the City Council represents the lowest tax rate in 22 years.

The second largest General Fund revenue source is sales tax. The City's total sales tax rate is 2 cents per $1.00. Sales tax collections have a strong correlation to the local and national economic conditions. Because of the volatility of sales tax, the City has taken a conservative approach to budgeting this revenue source. Sales tax collections for FY 2020 are budgeted at 2.5% over the FY 2019 year-end estimate. Although sales tax growth has slowed, the City continues to benefit from the City's proactive economic development approach.

In November 2015, the voters ultimately approved a $96.7 million bond package, creating funding for future projects in four categories: Streets and Roads, Public Safety, Public Library and Parks and Recreation. In July 2016, the City began the process to secure bond funds approved by voters to begin the implementation of the 2015 Bond Program. At this time, the rating agency S&P Global raised the City of Cedar Park's General Obligation Bond debt from an AA rating to AA+, one category from the highest rating possible. This is the third rating increase in the past 10 years for the City. Additionally, in November 2018, S&P Global affirmed the City's GO AA+ rating. A higher bond rating has enabled the City to issue debt at a lower interest rate and allowed the City the flexibility to refinance existing debt at a lower interest rate – ultimately saving taxpayers money. Receiving this bond rating upgrade at the beginning of the City's bond program, resulting from the successful November 2015 bond election, maximizes the financial benefit to Cedar Park residents. The final bond issuance for the 2015 Bond Program is scheduled for Spring 2020.

CEDAR PARK

BASIC FINANCIAL STATEMENTS

CEDAR PARK

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Statement of Net Position
September 30, 2019

City of Cedar Park, Texas

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and investments	$ 35,563,958	21,288,515	56,852,473	-
Receivables, net				
Taxes	4,130,939	-	4,130,939	2,262,292
Accounts	-	5,508,495	5,508,495	-
Other	779,693	205,947	985,640	-
Internal balances	(3,417,764)	3,417,764	-	-
Inventories and prepaid items	141,910	65,194	207,104	4,785
Cash and investments - restricted	75,747,868	35,276,536	111,024,404	17,752,569
Notes receivable	12,714,191	3,535,792	16,249,983	-
Investment in Joint Venture	-	4,479,260	4,479,260	-
Capital assets:				
Nondepreciable	65,221,759	8,251,502	73,473,261	-
Depreciable, net	310,772,201	216,365,460	527,137,661	-
Total capital assets	375,993,960	224,616,962	600,610,922	-
Total assets	501,654,755	298,394,465	800,049,220	20,019,646
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - refunding losses	6,917,555	2,227,614	9,145,169	1,653
Deferred outflows - pension	10,375,414	1,629,822	12,005,236	-
Deferred outflows - OPEB	583,713	88,330	672,043	-
Total Deferred Outflow of Resources	17,876,682	3,945,766	21,822,448	1,653
LIABILITIES				
Accounts payable	3,055,907	1,312,524	4,368,431	5,779
Accrued interest payable	864,475	226,292	1,090,767	2,897
Accrued liabilities	972,669	109,452	1,082,121	-
Customer deposits	72,112	937,253	1,009,365	-
Funds held in escrow and other liabilities	2,124,270	70,018	2,194,288	-
Noncurrent liabilities:				
Due within one year				
Compensated absences	200,091	36,977	237,068	-
Notes payable	154,781	-	154,781	154,782
Bonds payable	13,375,000	6,195,000	19,570,000	740,000
Due in more than one year				
Compensated absences	5,423,310	677,553	6,100,863	-
Notes payable	118,277	-	118,277	118,278
Bonds payable	190,685,625	31,894,755	222,580,380	4,279
Total OPEB Liability	6,889,599	870,306	7,759,905	-
Net pension liability	22,578,475	3,755,363	26,333,838	-
Total liabilities	246,514,591	46,085,493	292,600,084	1,026,015
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow - OPEB	127,585	9,673	137,258	-
Deferred Inflow - pensions	2,157,896	358,444	2,516,340	-
Total deferred inflows of resources	2,285,481	368,117	2,653,598	-
NET POSITION				
Net investment in capital assets	255,604,961	191,795,462	447,400,423	-
Restricted for:				
Debt service	10,635,771	7,644,967	18,280,738	3,966,926
Construction	9,914,920	29,019,215	38,934,135	-
Tourism	2,082,765	-	2,082,765	-
Public safety	379,211	-	379,211	-
Cable equipment acquisition	219,245	-	219,245	-
Community and economic development and other purposes	2,231,356	-	2,231,356	15,028,358
Unrestricted balance (deficit)	(10,336,864)	27,426,977	17,090,113	-
Total net position	$ 270,731,365	255,886,621	526,617,986	18,995,284

The notes to the financial statements are an integral part of this statement.

Statement of Activities
For the Year Ended September 30, 2019

City of Cedar Park Texas

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government:								
Government activities:								
General government	$ 19,758,605	1,584,325	3,116,266	2,704,419	(12,353,595)	-	(12,353,595)	-
Public safety	32,739,840	3,546,034	12,998	-	(29,180,808)	-	(29,180,808)	-
Culture and recreation	7,421,237	1,442,476	57,220	444,686	(5,476,855)	-	(5,476,855)	-
Streets and lighting	7,860,419	-	-	2,539,956	(5,320,463)	-	(5,320,463)	-
Economic development	4,032,010	-	-	-	(4,032,010)	-	(4,032,010)	-
Interest on long-term debt	6,723,888	-	-	-	(6,723,888)	-	(6,723,888)	-
Total governmental activities	78,535,999	6,572,835	3,186,484	5,689,061	(63,087,619)	-	(63,087,619)	-
Business-type Activities:								
Water and sewer	27,632,098	31,910,750	-	4,237,743	-	8,516,395	8,516,395	-
Solid waste	4,126,173	4,040,238	-	-	-	(85,935)	(85,935)	-
Total business-type activities	31,758,271	35,950,988	-	4,237,743	-	8,430,460	8,430,460	-
Total Primary Government	$ 110,294,270	42,523,823	3,186,484	9,926,804	(63,087,619)	8,430,460	(54,657,159)	-
Component units:								
Community development	4,222,364	-	-	-	-	-	-	(4,222,364)
Economic development	4,581,714	-	-	-	-	-	-	(4,581,714)
Total component units	$ 8,804,078	-	-	-	-	-	-	(8,804,078)
General revenues:								
Property taxes					42,482,849	-	42,482,849	-
Sales taxes					16,643,855	-	16,643,855	12,948,899
Franchise taxes					3,630,594	-	3,630,594	-
Other taxes					1,323,756	-	1,323,756	-
Interest and other					5,979,477	1,754,192	7,733,669	1,125,073
Transfers					4,849,052	(4,849,052)	-	-
Total general revenues and transfers					74,909,583	(3,094,860)	71,814,723	14,073,972
Change in net position					11,821,964	5,335,600	17,157,564	5,269,894
Net position, beginning					258,909,401	250,551,021	509,460,422	13,725,390
Net position, ending					$ 270,731,365	255,886,621	526,617,986	18,995,284

The notes to the financial statements are an integral part of this statement.

Governmental Funds
Balance Sheet
September 30, 2019

	Major Funds		
	General	Debt Service	Capital Projects Fund
ASSETS			
Cash and investments	$ 26,256,758	-	-
Receivables (net of allowances)			
Property taxes	159,274	167,259	-
Sales taxes	2,931,279	-	-
Franchise taxes	757,809	-	-
Other taxes	-	-	-
Other receivables	365,243	-	-
Cash and investments - restricted	-	10,776,019	60,498,561
Notes Receivable	-	12,673,111	-
Inventory and prepaid items	119,568	-	-
Total assets	30,589,931	23,616,389	60,498,561
LIABILITIES			
Accounts payable	2,180,767	-	568,277
Accrued liabilities	708,521	-	264,148
Customer deposits	72,112	-	-
Due to other funds	159,920	-	-
Escrow deposits and other liabilities	2,061,095	-	50,960
Total liabilities	5,182,415	-	883,385
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	141,185	147,587	-
Unavailable revenue - note receivable	-	12,673,111	-
Total deferred inflows of resources	141,185	12,820,698	-
FUND BALANCES			
Nonspendable:			
Inventory and prepaid items	119,568	-	-
Restricted:			
Debt service	-	10,795,691	-
Tourism	-	-	-
Cable equipment acquisition	-	-	-
Economic development and other purposes	-	-	-
Public safety	-	-	-
Construction	-	-	59,615,176
Committed:			
Operating projects	246,238	-	-
Assigned:			
State Comptroller note	154,781	-	-
Unassigned	24,745,744	-	-
Total fund balances	25,266,331	10,795,691	59,615,176
Total liabilities, deferred inflows of resources, and fund balances	$ 30,589,931	23,616,389	60,498,561

The notes to the financial statements are an integral part of this statement.

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	$ -	26,256,758
Receivables (net of allowances)		
Property taxes	-	326,533
Sales taxes	-	2,931,279
Franchise taxes	-	757,809
Other taxes	115,318	115,318
Other receivables	405,763	771,006
Cash and investments - restricted	4,473,288	75,747,868
Notes Receivable	41,080	12,714,191
Inventory and prepaid items	22,342	141,910
Total assets	5,057,791	119,762,672
LIABILITIES		
Accounts payable	69,577	2,818,621
Accrued liabilities	-	972,669
Customer deposits	-	72,112
Due to other funds	-	159,920
Escrow deposits and other liabilities	12,215	2,124,270
Total liabilities	81,792	6,147,592
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	-	288,772
Unavailable revenue - note receivable	41,080	12,714,191
Total deferred inflows of resources	41,080	13,002,963
FUND BALANCES		
Nonspendable:		
Inventory and prepaid items	22,342	141,910
Restricted:		
Debt service	-	10,795,691
Tourism	2,082,765	2,082,765
Cable equipment acquisition	219,245	219,245
Economic development and other purposes	2,231,356	2,231,356
Public safety	379,211	379,211
Construction	-	59,615,176
Committed:		
Operating projects	-	246,238
Assigned:		
State Comptroller note	-	154,781
Unassigned	-	24,745,744
Total fund balances	4,934,919	100,612,117
Total liabilities, deferred inflows of resources, and fund balances	$ 5,057,791	119,762,672

Governmental Funds **City of Cedar Park, Texas**

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2019

Total fund balance - governmental funds		$ 100,612,117
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds.		369,233,757
Deferred outflows of resources do not require current resources and, therefore, are not reported in the governmental funds		
Deferred outflows - refunding loss	6,917,555	
Deferred outflows - pension	10,375,414	
Deferred outflows - OPEB	583,713	17,876,682
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.		(864,475)
Noncurrent liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Bonds payable	(204,060,625)	
Notes payable	(273,058)	
Compensated absences	(5,623,401)	
Net pension liability	(22,578,475)	
Total OPEB liability	(6,889,599)	(239,425,158)
Revenues related to receivables that are unavailable for governmental funds are reported as deferred inflows of resources:		
Unavailable revenues - property taxes	288,772	
Unavailable revenues - other receivable	-	
Unavailable revenues - notes receivable	12,714,191	13,002,963
The difference between projected and actual gains on pension asset investments are not reported in the governmental funds		
Deferred inflows from OPEB activity	(127,585)	
Deferred inflows from pension activity	(2,157,896)	(2,285,481)
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service funds are not included in the governmental funds balance sheet. The amount is net of amounts allocated to business-type activities.		12,580,960
Total net position - governmental activities		$ 270,731,365

The notes to the financial statements are an integral part of this statement.

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

	Major Funds		
	General	Debt Service	Capital Projects Fund
REVENUES			
Taxes	$ 42,092,097	20,094,271	-
Permits, licenses, and fees	1,292,532	-	-
Fines and forfeitures	550,416	-	-
Charges for services	4,671,958	-	-
Intergovernmental	100,895	3,218,726	-
Contributions	2,338,258	-	2,353,609
Interest earnings	739,545	371,718	1,621,334
Other	2,083,608	2,286,953	31,499
Total revenues	53,869,309	25,971,668	4,006,442
EXPENDITURES			
Current			
General government	12,216,369	-	-
Public safety	28,243,531	-	-
Culture and recreation	6,048,587	-	-
Streets and lighting	4,207,308	-	-
Economic development	2,527,852	-	-
Capital outlay	1,289,617	-	16,271,107
Debt service			
Principal	154,781	14,030,000	-
Interest and fiscal charges	-	8,073,103	-
Payment to bond escrow agent from current resources	-	2,398,803	-
Bond issuance costs	-	300	757
Total expenditures	54,688,045	24,502,206	16,271,864
Excess (Deficiency) Of Revenues Over Expenditures	(818,736)	1,469,462	(12,265,422)
Other Financing Sources (Uses)			
Sale of general capital assets	56,331	-	-
Transfers in	4,849,052	-	1,525,000
Transfers out	(975,000)	-	-
Total other financing sources (uses)	3,930,383	-	1,525,000
Net Change In Fund Balances	3,111,647	1,469,462	(10,740,422)
Fund Balances, Beginning	22,154,684	9,326,229	70,355,598
Fund Balances, Ending	$ 25,266,331	10,795,691	59,615,176

The notes to the financial statements are an integral part of this statement.

	Other Governmental Funds	Total Governmental Funds
REVENUES		
Taxes	$ 1,798,658	63,985,026
Permits, licenses, and fees	-	1,292,532
Fines and forfeitures	57,929	608,345
Charges for services	-	4,671,958
Intergovernmental	-	3,319,621
Contributions	711,711	5,403,578
Interest earnings	117,216	2,849,813
Other	539,074	4,941,134
Total revenues	3,224,588	87,072,007
EXPENDITURES		
Current		
General government	153,586	12,369,955
Public safety	246,372	28,489,903
Culture and recreation	94,816	6,143,403
Streets and lighting	-	4,207,308
Economic development	1,465,201	3,993,053
Capital outlay	256,228	17,816,952
Debt service		
Principal	-	14,184,781
Interest and fiscal charges	-	8,073,103
Payment to bond escrow agent from current resources	-	2,398,803
Bond issuance costs	-	1,057
Total expenditures	2,216,203	97,678,318
Excess (Deficiency) Of Revenues Over Expenditures	1,008,385	(10,606,311)
Other Financing Sources (Uses)		
Sale of general capital assets	18,455	74,786
Transfers in	-	6,374,052
Transfers out	(550,000)	(1,525,000)
Total other financing sources (uses)	(531,545)	4,923,838
Net Change In Fund Balances	476,840	(5,682,473)
Fund Balances, Beginning	4,458,079	106,294,590
Fund Balances, Ending	$ 4,934,919	100,612,117

Governmental Funds **City of Cedar Park, Texas**

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Year Ended September 30, 2019

Net change in fund balances - governmental funds		$ (5,682,473)
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 is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	17,816,952	
Loss on capital asset disposal	(263,304)	
Depreciation	(11,548,166)	6,005,482
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Developer contributions	852,281	
Unavailable revenues	(2,890,797)	(2,038,516)
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of the differences in the treatment of long-term debt and related items.		
Amortization of bond premiums and refunding losses	1,332,407	
Accrued interest on bonds payable	(114)	
Principal retirements	14,184,781	
Refunding loss from current resources	(18,803)	
Payment to refunding bond escrow agent	2,398,803	17,897,074
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(343,689)	
Pension costs	(6,446,524)	
Deferred outflow of resources - pension	5,521,211	
Deferred outflow of resources - OPEB	384,231	
Deferred inflow of resources - pension	(539,702)	
Deferred inflow of resources - OPEB	(127,585)	
Other post-employment benefits	(4,180,955)	(5,733,013)
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. The amount is net of amounts allocated to business-type activities.		1,373,410
Change in net position of governmental activities		$ 11,821,964

The notes to the financial statements are an integral part of this statement.

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Proprietary Funds
Statement of Net Position
September 30, 2019

	Business-type Activities Enterprise Funds			Governmental Activities
	Major	Nonmajor		
ASSETS	Water and Sewer	Solid Waste	Total	Internal Service Funds
Current assets:				
Cash and investments	$ 21,280,583	7,932	21,288,515	9,307,200
Accounts receivable, net	5,220,647	493,795	5,714,442	8,687
Due from other funds	159,920	-	159,920	-
Inventories and prepaid expenses	65,194	-	65,194	-
Total current assets	26,726,344	501,727	27,228,071	9,315,887
Noncurrent assets:				
Cash and investments - restricted	35,093,836	182,700	35,276,536	-
Notes receivable	3,535,792	-	3,535,792	-
Investment in joint venture	4,479,260	-	4,479,260	-
Capital assets:				
Nondepreciable	8,251,502	-	8,251,502	4,266
Depreciable, net	216,313,064	52,396	216,365,460	6,755,937
Total capital assets	224,564,566	52,396	224,616,962	6,760,203
Total noncurrent assets	267,673,454	235,096	267,908,550	6,760,203
Total assets	294,399,798	736,823	295,136,621	16,076,090
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - refunding losses	2,227,614	-	2,227,614	-
Deferred outflow - pension	1,629,822	-	1,629,822	-
Deferred outflow - OPEB	88,330	-	88,330	-
Total deferred outflow of resources	3,945,766	-	3,945,766	-

(Continued)

The notes to the financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds			Governmental Activities
	Major	Nonmajor		
LIABILITIES	Water and Sewer	Solid Waste	Total	Internal Service Funds
Current liabilities:				
Accounts payable	1,009,253	303,271	1,312,524	237,286
Accrued interest payable	224,305	1,987	226,292	-
Accrued liabilities	109,452	-	109,452	-
Customer deposits	937,253	-	937,253	-
Other liabilities	70,018	-	70,018	-
Compensated absences	36,977	-	36,977	-
Bonds payable	6,015,000	180,000	6,195,000	-
Total current liabilities	8,402,258	485,258	8,887,516	237,286
Noncurrent liabilities:				
Compensated absences	677,553	-	677,553	-
Total OPEB Liability	870,306	-	870,306	-
Net pension liability	3,755,363	-	3,755,363	-
Bonds payable	31,894,755	-	31,894,755	-
Total noncurrent liabilities	37,197,977	-	37,197,977	-
Total liabilities	45,600,235	485,258	46,085,493	237,286
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB	9,673	-	9,673	-
Deferred inflows of resources - pension	358,444	-	358,444	-
Total deferred outflow of resources	368,117	-	368,117	-
NET POSITION				
Net investment in capital assets	191,923,066	(127,604)	191,795,462	6,760,203
Restricted for debt service	7,462,267	182,700	7,644,967	-
Restricted for construction	29,019,215	-	29,019,215	-
Unrestricted	23,972,664	196,469	24,169,133	9,078,601
Total net position	$ 252,377,212	251,565	252,628,777	15,838,804
Reconciliation to government-wide statement of net position				
Adjustment to reflect the income of the internal service funds that was allocated to enterprise fund functions.	3,257,844	-	3,257,844	
Net position of business type activities	$ 255,635,056	251,565	255,886,621	

The notes to the financial statements are an integral part of this statement.

Proprietary Funds **City of Cedar Park, Texas**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended September 30, 2019

	Business-type Activities Enterprise Funds			Governmental
	Major	Nonmajor		
	Water and Sewer	Solid Waste	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 31,910,750	4,040,238	35,950,988	7,268,625
Total operating revenues	31,910,750	4,040,238	35,950,988	7,268,625
OPERATING EXPENSES				
Distribution services and charges	10,077,130	3,837,029	13,914,159	85,000
Personnel services	6,637,272	-	6,637,272	-
Insurance benefit premiums	-	-	-	3,438,929
Maintenance and repair	631,508	-	631,508	-
Supplies and materials	824,540	133,969	958,509	225,589
Depreciation	8,513,140	146,384	8,659,524	2,297,653
Total operating expenses	26,683,590	4,117,382	30,800,972	6,047,171
OPERATING INCOME	5,227,160	(77,144)	5,150,016	1,221,454
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenue	1,743,312	10,880	1,754,192	204,743
Interest and fiscal charges	(1,189,609)	(8,791)	(1,198,400)	-
Gain on disposal of capital assets	-	-	-	188,312
Total nonoperating revenues (expenses)	553,703	2,089	555,792	393,055
Income before contributions and transfers	5,780,863	(75,055)	5,705,808	1,614,509
CONTRIBUTIONS AND TRANSFERS				
Contributions	1,602,293	-	1,602,293	-
Community impact fees	2,635,450	-	2,635,450	-
Transfers out	(4,849,052)	-	(4,849,052)	-
Total contributions and transfers	(611,309)	-	(611,309)	-
CHANGE IN NET POSITION	5,169,554	(75,055)	5,094,499	1,614,509
Total net position, beginning	247,207,658	326,620	247,534,278	14,224,295
Total net position, ending	$ 252,377,212	251,565	252,628,777	15,838,804
Reconciliation to government-wide statement of activities				
Change in net position	$ 5,169,554	(75,055)	5,094,499	
Adjustment to consolidate internal service activities	241,101	-	241,101	
Change in net position - business-type activities	$ 5,410,655	(75,055)	5,335,600	

The notes to the financial statements are an integral part of this statement.

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

	Business-type Activities Enterprise Funds			Governmental
	Major	Nonmajor		
	Water and Sewer	Solid Waste	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 31,253,349	4,010,547	35,263,896	7,268,625
Cash paid to suppliers for goods and services	(12,344,409)	(4,004,858)	(16,349,267)	(190,119)
Cash paid to employees for services	(5,675,683)	-	(5,675,683)	-
Cash paid for insurance benefit premiums	-	-	-	(3,438,929)
Net cash provided by operating activities	13,233,257	5,689	13,238,946	3,639,577
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	9,587,671	-	9,587,671	-
Transfers out	(14,436,723)	-	(14,436,723)	-
Net cash (used) by noncapital financing activities	(4,849,052)	-	(4,849,052)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received for nonoperating activities	413,619	2,954	416,573	195,919
Impact Fees	2,635,450	-	2,635,450	-
Acquisition of capital assets	(3,804,434)	-	(3,804,434)	(2,230,825)
Principal paid on debt	(5,785,000)	(175,000)	(5,960,000)	-
Interest and fiscal charges paid on debt	(1,611,477)	(8,135)	(1,619,612)	-
Net cash (used) by capital and related financing	(8,151,842)	(180,181)	(8,332,023)	(2,034,906)
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	1,549,494	7,926	1,557,420	204,713
Net cash provided by investing activities	1,549,494	7,926	1,557,420	204,713
Net increase in cash and cash equivalents	1,781,857	(166,566)	1,615,291	1,809,384
Cash and cash equivalents, October 1 (including restricted cash accounts)	54,592,562	357,198	54,949,760	7,497,816
Cash and cash equivalents, September 30 (including restricted cash accounts)	$ 56,374,419	190,632	56,565,051	9,307,200

The notes to the financial statements are an integral part of this statement.

(Continued)

	Business-type Activities Enterprise Funds			Governmental
	Major Water and Sewer	Nonmajor Solid Waste	Total	Internal Service Funds
Reconciliation of cash and cash equivalents to proprietary fund statement of net position				
Cash and investments	$ 21,280,583	7,932	21,288,515	9,307,200
Cash and investments - restricted	35,093,836	182,700	35,276,536	-
	$ 56,374,419	190,632	56,565,051	9,307,200
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 5,227,160	(77,144)	5,150,016	1,221,454
Adjustments to reconcile operating income to net cash provided by operating activities:				
Other revenues				
Depreciation	8,513,140	146,384	8,659,524	2,297,653
Changes in assets and liabilities:				
Decrease (increase) in assets and deferred outflows:				
Accounts receivable	(729,114)	(29,691)	(758,805)	(4,800)
Joint venture	(1,010,800)	-	(1,010,800)	-
Inventories/prepaid expenses	(29,485)	-	(29,485)	-
Interfund receivable	60,000	-	60,000	-
Other receivables	(10,554)	-	(10,554)	-
Deferred outflows - pensions	(605,177)	-	(605,177)	-
Deferred outflows - OPEB	(55,773)	-	(55,773)	-
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	231,685	(33,860)	197,825	125,270
Accrued liabilities	(4,064)	-	(4,064)	-
Compensated absences payable	85,773	-	85,773	-
Total OPEB Liability	650,495	-	650,495	-
Changes in pension activity	996,140	-	996,140	-
Customer deposits	22,266	-	22,266	-
Other liabilities	1,434	-	1,434	-
Deferred inflows - OPEB	9,673		9,673	
Deferred inflows - pension	(119,542)	-	(119,542)	-
Net cash provided by operating activities	$ 13,233,257	5,689	13,238,946	3,639,577
Schedule of non-cash capital and related financing activities				
Contribution of capital assets	1,602,293	-	1,602,293	-

The notes to the financial statements are an integral part of this statement.

Component Units **City of Cedar Park, Texas**

Statement of Net Position

September 30, 2019

	Community Development Corporation	Economic Development Corporation	Total
ASSETS			
Receivables, net of allowances for uncollectibles:			
Sales tax receivable	$ 1,292,264	970,028	2,262,292
Inventories and prepaid items	2,658	2,127	4,785
Cash and investments - restricted	4,836,394	12,916,175	17,752,569
Total assets	6,131,316	13,888,330	20,019,646
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges from bond issuance	1,653	-	1,653
LIABILITIES			
Accounts payable	3,214	2,565	5,779
Accrued interest payable	2,897	-	2,897
Noncurrent liabilities:			
Due within one year			
Notes payable	77,391	77,391	154,782
Bonds payable	740,000	-	740,000
Due in more than one year			
Notes payable	59,139	59,139	118,278
Bonds payable	4,279	-	4,279
Total liabilities	886,920	139,095	1,026,015
NET POSITION			
Restricted			
Debt service	748,200	3,218,726	3,966,926
Community and economic development	4,497,849	10,530,509	15,028,358
Total net position	$ 5,246,049	13,749,235	18,995,284

The notes to the financial statements are an integral part of this statement.

Component Units **City of Cedar Park, Texas**

Statement of Activities

For the Year Ended September 30, 2019

		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Community Development Corporation	Economic Development Corporation	Total
Community development	$ 4,222,364	(4,222,364)	-	(4,222,364)
Economic development	4,581,714	-	(4,581,714)	(4,581,714)
Total component units	$ 8,804,078	(4,222,364)	(4,581,714)	(8,804,078)
General revenues:				
Sales tax		$ 7,398,316	5,550,583	12,948,899
Interest and other		806,889	318,184	1,125,073
Total general revenues		8,205,205	5,868,767	14,073,972
Change in net position		3,982,841	1,287,053	5,269,894
Net position, beginning		1,263,208	12,462,182	13,725,390
Net position, ending		$ 5,246,049	13,749,235	18,995,284

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position **City of Cedar Park, Texas**
September 30, 2019

ASSETS	Trust Fund
Investments	$ 426,255
Total assets	426,255
Net Position	
Restricted for OPEB	426,255
Total net position	$ 426,255

The notes to the financial statements are an integral part of this statement.

Statement of Change in Fiduciary Net Position **City of Cedar Park, Texas**
For the Year Ended September 30, 2019

	Trust Fund
ADDITIONS	
Contributions	$ 426,000
Interest and dividends	255
Total additions	426,255
Change in net position	426,255
Total net position, beginning	-
Total net position, ending	426,255

The notes to the financial statements are an integral part of this statement.

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CEDAR PARK

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cedar Park, Texas (the "City"), a Home-Rule Municipal Corporation, organized and existing under the Provisions of the constitution of the State of Texas, adopted its present Charter on May 8, 2010. The City operates under the Council-Manager form of government and provides the following services as authorized by its Charter: Public Safety (e.g., Police and Fire), Planning and Zoning, Streets and Lighting, Water, Sewer, Solid Waste, Cultural and Recreational (e.g., Library and Parks), Maintenance, and General Administrative.

A. Reporting Entity

As required by generally accepted accounting principles in the United States of America (GAAP), these basic financial statements present the City and its component units, entities for which the City is considered financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Discretely presented component units -- In May 1999, the citizens of Cedar Park approved the formation of an Economic Development Corporation (4A) and a Community Development Corporation (4B), effective October 1, 1999, by the authority of the Development Corporation Act of 1979. The 4A corporation collects three-eighths of a cent and the 4B corporation collects a one-half cent sales tax to support their respective activities and the City. Separate financial statements are not prepared for either Corporation.

The 4A Corporation's purpose is the promotion and development of new and expanded business enterprises in Cedar Park. The 4B Corporation's purpose is to promote economic development within the City, to promote and encourage employment and the public welfare of, for, and on behalf of the City, and for transportation system improvements. These Corporations are both governed by separate Boards, which are appointed by the City Council. The separate boards and designated corporate management have operational responsibility for the corporations. Accordingly, they are discretely presented to emphasize that they are legally separate from the primary government.

Blended component units -- In December 2001, the Tax Increment Reinvestment Zone No. One (TIRZ #1) was created to facilitate a program of public improvements to allow and encourage the development of a mixed-use downtown district merging retail, office, entertainment, and civic uses with a wide variety of high quality, high value, high density single and multi-family housing to create a close-knit, pedestrian friendly urban core. Although TIRZ #1 is a legally separate entity, it is, in substance, part of the City's operation for which the City is considered financially accountable. City management has operational responsibility for TIRZ #1, and its services almost exclusively benefit the City. Accordingly, TIRZ #1 is reported as a special revenue fund in the City's financial statements.

In July 2013, the Tax Increment Reinvestment Zone No. Two (TIRZ #2) was created to facilitate a program of public improvements to allow and encourage the development of an entertainment district on 16.638 acres adjacent to the Cedar Park Center. Although the TIRZ #2 is a legally separate entity, it is, in substance, part of the City's operations for which the City is considered financially accountable. City management has operational responsibility for TIRZ #2, and its services almost exclusively benefit the City. Accordingly, TIRZ #2 is reported as a special revenue fund in the City's financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-wide and Fund Financial Statements

The basic financial statements include both 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 non-fiduciary activities of the primary government and its component units. Internal service fund asset and liability balances that are not eliminated in the statement of net position are reported in the governmental activities column on the government-wide statements. The effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenue, 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 government is financially accountable.

The City's statement of net position includes both non-current assets and non-current liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given 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 properly not included among program revenue are reported instead as *general revenue.*

The fund financial statements provide a separate set of statements for each governmental and proprietary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Major funds are determined by criteria specified by GASB Statement No. 34. Information on non-major governmental funds is aggregated in a column labeled "Other Governmental Funds."

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting these definitions are reported as non-operating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

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 funds. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, (continued)

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of activities as interfund transfers. Interfund activities between governmental and proprietary funds remain as due to/due from on the government-wide Statement of Net Position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period they are both measureable and available. Revenues, other than grants, are considered to be available by the City when they are available and expected to be collected within the current fiscal year or within 60 days thereafter, to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, regardless of the related cash flows. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when the liability is matured.

Revenues from local sources consist primarily of property taxes and sales taxes. Property, sales and other tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The City's availability period is no more than 60 days beyond the end of the fiscal year. Revenues from state and federal grants are recorded as revenue when they are expected to be collected within the current fiscal year, or within 60 days thereafter, and all eligibility requirements have been met. Investment earnings are recorded as earned, since they are both measureable and available.

The Proprietary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred, regardless of the timing of the related cash flow. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted, and unrestricted net position.

D. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spent and the means by which spending activities are controlled. The City has three types of funds: governmental, proprietary, and fiduciary funds. The fund financial statements provide more detailed information about the City's most significant funds, but not on the City as a whole. Major governmental and enterprise funds are reported separately in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements and independently presented in the combining statements. The criteria used to determine if a governmental or enterprise fund should be reported as a major fund are as follows: the total assets and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual government or enterprise fund are at least 10% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10% criterion above in the governmental or enterprise fund is at least 5% of the corresponding element total for all governmental and enterprise funds combined.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)
D. Fund Accounting, (continued)

Governmental Funds: Consist of the general fund, debt service fund, capital projects fund and special revenue funds.

The City reports the following major governmental funds:

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.

Debt Service Fund – is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, and related costs.

Capital Projects Fund – to account for financial resources for the acquisition or construction of major capital facilities (other than those reported within proprietary funds). It is funded primarily by general obligation debt, other tax supported debt, interest income, and other intergovernmental revenues.

In addition, the City reports the following non-major governmental funds:

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, including grant funds.

Proprietary Funds: Consist of enterprise funds and internal service funds.

The City reports the following major enterprise fund:

Water and Sewer Fund – to account for the activities necessary for the provision of water and sewer services.

In addition, the City reports the following other proprietary funds:

Solid Waste Fund – to account for solid waste collection services. The Solid Waste Fund was established during fiscal year 2010 to disaggregate solid waste activities that were combined with the Water and Sewer Fund in prior years. The Solid Waste Fund is presented in a separate column as a non-major fund in the proprietary statements.

Internal Service Funds – to account for the financing of goods or services provided by one department to other City departments or to other governmental units on a cost-reimbursement basis. The internal service funds include:

Employee Benefits Fund – to account for activities related to the health, dental, and life insurance costs of City employees and their beneficiaries.

Vehicle & Equipment Services Fund – to account for maintenance and replacement costs of City-owned vehicles and heavy equipment.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Fund Accounting, (continued)

Fiduciary Funds: - Consist of resources held by the City in a trustee capacity or as an agent for the benefit of parties outside the City.

Other Post-Employment Benefits Fund – to account for activities related to other post-employment benefits, including an irrevocable trust established after the measurement date to offset liability for future outflows.

E. Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. 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 in the government-wide statement of net position, governmental funds balance sheet, or the proprietary funds statement of net position:

- Deferred outflows - refunding: A deferred charge on refunding results from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded debt or refunding debt, whichever is shorter.
- Deferred outflows - OPEB: Actuarial losses related to OPEB are reported on the government-wide and the proprietary funds statements of net position. These losses are the result of changes in assumptions and differences between expected and actual result. The balance of deferred outflows also includes employer contributions made after the measurement date. This deferred outflow is reported in the government-wide and the proprietary funds statements of net position.
- Deferred outflows - pension: Actuarial losses related to pensions are reported on the government-wide and the proprietary funds statements of net position. These losses are the result of differences between the expected and actual experience of the plan, changes in assumptions, and employer contributions made after the measurement date. This deferred outflow is reported in the government-wide and the proprietary funds statements of net position.
- Deferred inflows - pension: Actuarial gains related to pensions are reported on the government-wide and the proprietary funds statements of net position. This gain is the result of differences between the projected and actual earnings on pension plan investments.
- Deferred inflows – OPEB: Actuarial gains related to OPEB are reported on the government-wide and proprietary funds statements of net position. This gain is the result of changes in assumptions.
- Unavailable revenues: Unavailable revenues arise under the modified accrual basis of accounting, and are reported only in the governmental funds balance sheet. The City records unavailable revenues from uncollected property taxes and a note receivable, which are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets net of accumulated depreciation, outstanding balances of capital-related borrowings, and capital-related deferred outflows (inflows) of resources. Net position classified as restricted are balances with constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

G. Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

H. Investments

Investments, except for certain investment pools that meet the requirements of GASB Statement No. 79, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and strive to maintain a $1 net asset value (NAV) and are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the City. A primary stated objective of the City of Cedar Park's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes the following:

- Obligations of the United States Government, its agencies and instrumentalities with a maximum stated maturity of three years.
- Obligations of the State of Texas or other states and the agencies, counties, cities and other political subdivisions, excluding capital appreciation bonds, of those states rated as investment grade by at least one nationally recognized rating agency.
- AAA-rated, constant-dollar Local Government Investment Pools as defined by the Act and authorized by City Council.
- Commercial paper rated A1/P1 or equivalent by two nationally recognized rating agencies with a maximum maturity of three six months. No more than 5% of the total portfolio may be invested in any one issuer's securities.
- AAA-rated, SEC registered money market mutual funds AAA-rated as defined by the Act and striving to maintain a $1 NAV.
- Brokered CD's must be FDIC insured and delivered versus payment to the City's depository with a maximum maturity of one year. FDIC insurance must be verified for the CD before purchase. In addition, a procedure to monitor continued.
- Collateral is restricted to obligations of the US Government, its agencies or instrumentalities or direct obligations of any state, its subdivisions or agencies rated at least A, or equivalent, as to investment quality by two NRSROs. Independent safekeeping is required outside the bank holding company with monthly reporting.
- Fully FDIC or collateralized depository certificates of deposit of banks doing business in Texas, with a maturity of one year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)
H. Investments, (continued)
Credit Risk, (continued)

Securities are primarily rated by Standard & Poor's or Moody's. As of September 30, 2019:

- Municipal obligations represented 0.30% of the total portfolio, rated AA+
- Fully insured or collateralized CDs represented 20.0% of the total portfolio
- Commercial paper represented 8.4% of the total portfolio, rated A-1/P-1
- Investment in local government investment pools represented 32.6% of the total portfolio, rated AAAm
- US government agency securities represented 38.6% of the total portfolio, rated AA+/Aaa

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investments in a single issuer.

The City of Cedar Park recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The City's adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a monthly basis. Diversification limits are set by Policy as:

• U.S. Obligations	80%
• US Agencies/Instrumentalities	80%
• Municipal Obligations	35%
• Certificates of Deposit	40%
• Any one bank	20%
• Repurchase Agreements	50%
• Flex in CIP Funds	100%
• Local Government Investment Pools	100%
• Money Market Funds	100%
• Commercial Paper	25%
• Any one issuer	10%
• Brokered CD Securities	20%

Policy compliance is monitored on a monthly basis and reported to the City Council quarterly. As of September 30, 2019 all parameters and limits of the diversification policy were met. The City has more than 5% of its investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and commercial paper. These investments are 18.12%, 12.07% and 6.44% respectively, of the City's total investments.

Interest Rate Risk

Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment.

In order to limit interest and market rate risk from changes in interest rates, the City of Cedar Park's adopted Investment Policy sets a maximum stated maturity limit of three years. The weighted average maturity (WAM) of the total City portfolio is restricted to a maximum of twelve months.

As of September 30, 2019, the portfolio's dollar weighted average maturity was 235 days, and 23.55% of the total portfolio had maturities longer than one year. No holding in the portfolio had a stated maturity date beyond 09/09/2022 or 1,075 days.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)
H. Investments, (continued)
Interest Rate Risk, (continued)

As of September 30, 2019, the portfolio held the following investments:

			Investment Maturities in Years		
Investment Type	Balance	% of Portfolio	Less than 1 Year	1-2 Years	2-3 Years
FAMCA	$ 4,011,128	2.4%	-	-	4,011,128
FFCB	4,985,117	3.0%	4,985,117	-	-
FHLB	30,004,061	18.1%	15,007,332	-	14,996,729
FHLMC	20,000,151	12.1%	-	10,000,046	10,000,105
FNMA	4,997,391	3.0%	4,997,391	-	-
Local Government Investment Pools	53,967,292	32.6%	53,967,292	-	-
Certificates of Deposit	33,185,803	20.0%	33,185,803	-	-
Commercial Paper	13,972,753	8.4%	13,972,753	-	-
Municipal Obligations	499,985	0.3%	499,985	-	-
Total Value	$ 165,623,681		126,615,673	10,000,046	29,007,962
% of Total Portfolio		100.0%	76.5%	6.0%	17.5%

Abbreviations	FAMCA	Federal Agricultural Mortgage Corporation
	FFCB	Federal Farm Credit Bank
	FHLB	Federal Home Loan Bank
	FHLMC	Federal Home Loan Mortgage Corporation
	FNMA	Federal National Mortgage Association

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside third party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the City and are held by the counterparty, its trust or agent, but not in the City's name. On September 30, 2019, net activity, including significant investment maturities, resulted in a balance of $12,997,433 that was exposed to custodial credit risk but collateralized on the following day.

The City's investment securities are not exposed to custodial risk because all securities held by the City's custodial banks are in the City's name.

To control custody and safekeeping risk state law and the City of Cedar Park's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City's name. The custodian provides original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and all deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of the U.S. Financial Resource and Recovery Enforcement Act (FIRREA). The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

Portfolio disclosure as of September 30, 2019:

- all time and demand deposits were fully FDIC insured or collateralized in accordance with statute and policy, except as noted above;
- the portfolio contained 20.0 % in fully collateralized or FDIC insured certificates of deposits;
- all pledged collateral was held by an independent institution outside the bank's holding company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)
H. Investments, (continued)
Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles in the United States of America (GAAP). GASB Statement No. 72, *Fair Value Measurement and Application,* provides framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The City and its investment advisor utilize an independent pricing service to obtain recurring fair value measurements using quoted prices for similar assets to determine the fair value.

As of September 30, 2019, the securities to be priced in the portfolio were:

Security Type	Level 2	Total
Investments Measured at Fair Value:		
US Government Agencies	$63,997,848	63,997,848
Municipal Obligations	499,985	499,985
Investments Measured at Amortized Cost:		
TexPool		53,621,519
Commercial Paper		13,972,753
Certificates of Deposit		33,185,803
Investments Measured at Net Asset Value:		
TexSTAR		345,773
Total Investments	$64,497,833	165,623,680

Texas Local Government Investment Pool

Texas Local Government Investment Pool ("TexPool") is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, TexPool is rated AAAm by Standard & Poor's and had a weighted average maturity of 32 days as of September 30, 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)
H. Investments, (continued)
Texas Local Government Investment Pool, (continued)

TexPool meets the requirements of GASB Statement No. 79, and as such, measures and reports its investments at amortized cost. The City carries its investment in TexPool at amortized cost.

TexSTAR Investment Pool

TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investment of participants' public funds and funds under their control. TexSTAR is managed by J.P. Morgan Investment Management, Inc., an affiliate of JP Morgan Chase Bank, N.A. a national banking association, and First Southwest Asset Management, Inc., an affiliate of Texas based First Southwest Company. TexSTAR's investment manager will maintain the dollar-weighted average maturity of sixty (60) days or less, and the maximum stated maturity for any obligation of the United States, its agencies, or instrumentalities is limited to 397 days for fixed rate securities and 24 months for variable rate notes. TexSTAR is rated AAAm by Standard and Poor's and had a weighted average maturity of 22 days at September 30, 2019.

TexSTAR does not meet the requirements of GASB Statement No. 79, and as such, measures and reports its investments at fair value. The City carries its investment in TexSTAR at fair value measured using NAV.

TexSTAR's strategy is to seek preservation of principal, liquidity and current income through investments in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. TexSTAR has a redemption notice period of one day and may redeem daily.

I. Receivables and Payables

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of net position as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 1% of outstanding property taxes at September 30, 2019.

J. Inventories

Inventories are valued at cost. The inventories for all funds are accounted for using the consumption method and expenditures are recorded when consumed. Inventories reported in the General Fund are offset by an equal amount in nonspendable fund balance, which indicates that they do not represent available spendable resources.

K. Joint Venture

Investment in joint venture represents an equity interest in the Brushy Creek Regional Utility Authority (BCRUA). The investment account balance represents Cedar Park's share in the joint venture's net position at September 30, 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as building and infrastructure additions and improvements with a cost of $50,000 or more, vehicles, equipment, artworks and furniture with a cost of $5,000 or more, land and right-of-way acquisitions of any value. In addition, items must have a useful life of at least two years, and ownership of the asset must clearly rest with the City. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30 - 40
Vehicles	3 - 5
Equipment	5 - 10
Infrastructure (streets and drainag	40 - 50
Water and Sewer plants and lines	40 - 50

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick and vacation benefits. All vacation pay 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. The City shall buy back unused sick leave accumulated since July 1, 2005 (up to 720 hours, or 1,080 hours for shift-work firefighters) at the time such employee terminates employment from the City, including retiring from City service under TMRS. Civil service employees must have one year of continuous service at separation while non-civil service employees must have ten years of continuous service at separation to be eligible for sick leave buyback. As of September 30, 2019, the City's total compensated absences was $6,337,931, of which $4,287,412 represented earned sick-leave benefits. The compensated absences liability is reported on the government-wide and proprietary funds statements of net position.

N. Fund Balance

Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The governmental fund type classifications are as follows:

Nonspendable: The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained intact.

Restricted: The portion of fund balance that is restricted to specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitution provisions or enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

N. Fund Balance, (continued)

Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of a majority vote by City Council. The City Council is the highest level of decision making authority for the government that can, by adoption of an ordinance (including the adopted budget and budget amendments) prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance or resolution) to remove or revise the limitation. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: The portion of fund balance that is constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. In September 2013, the City Council adopted a policy to grant the City manager or Finance Director authority to assign fund balances. During the year, a portion of General Fund fund balance was assigned by the City's Finance Director for the repayment of a long-term note payable to the State Comptroller. Additional information related to the State Comptroller note can be found in Note 2.F.

Unassigned: The portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes. Deficit fund balances in special revenue or capital project funds are considered unassigned in accordance with GASB Statement No. 54.

O. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles in the United States of America (GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

P. Pensions

For the purposes of measuring the net pension liability, deferred inflows and outflows of resources and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to, or deductions from, TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Other Post-Employment Benefits

For the purposed of measuring the total OPEB liability, deferred inflows and outflows of resources and OPEB expense, the City's actuarial analysis is determined by the same actuarial firm that performs similar analysis for the net pension liability using similar assumptions. Plan contributions are on a pay-as-you-go basis. In addition, the City created an irrevocable trust in FY 2019, subsequent to the measurement date, and transferred an actuarially determined contribution of $426,000 to provide for future payments on behalf of retirees. In future years, such contributions will offset the total OPEB liability.

2. DETAILED NOTES ON ALL FUNDS

A. Deposits

The City maintains bank accounts with its contracted depository institution and two Texas Local Government Investment Pools. For financial statement purposes, both the bank accounts and pool investments are combined and considered cash and cash equivalents. Each fund's share of the pool balances is reported in the financial statements. Earnings from the pooled accounts are allocated monthly to each participating fund based on the ratio of each fund's month-end balance to the combined balances.

The City's bank deposits were fully insured or collateralized by Federal Depository Insurance Corporation coverage and securities held by the City's agent bank in the City's name, except as previously noted on page 42. The total carrying value of all bank deposits was $20,334,385, including outstanding checks and deposits in transit of $229,320.

Investments in United States government agency securities are considered short-term and all such investment activity is conducted through a depository bank. During the fiscal year ended September 30, 2019, the City did not invest through any security brokers or dealers.

A summary of the City's cash and investments follows:

Cash and Investments	Carrying Amount
Primary Government	
Petty cash and change drawers	$ 8,260
Cash in bank (1)	19,997,505
TexPool	35,868,950
TexSTAR	345,773
Certificates of deposit	33,185,803
Commercial paper	13,972,753
Municipal obligations	499,985
U.S. government securities	63,997,848
Primary government cash and investments	$ 167,876,877
Component Units	
TexPool	
Community Development Corporation	$ 4,836,394
Economic Development Corporation	12,916,175
	$ 17,752,569

(1) Cash in bank includes bank deposits and money market mutual fund balances.

Reconciliation of cash and investments to the statement of net position cash and investments is as follows:

Cash in bank accounts	$ 19,997,505
Petty cash and change drawers	8,260
Total portfolio value	165,623,681
Total cash and investments	$ 185,629,446

Statement of net position presentation:

	Governmental Activities	Business-Type Activities	Component Unit Activities	Total
Cash and investments	$ 35,563,958	21,288,515	-	56,852,473
Restricted cash and investments	75,747,868	35,276,536	17,752,569	128,776,973
Total cash and investments	$ 111,311,826	56,565,051	17,752,569	185,629,446

2. DETAILED NOTES ON ALL FUNDS, (continued)
A. Deposits, (continued)

The following table details the cash and investments balances purpose restrictions as of September 30, 2019:

	Governmental Activities	Business-Type Activities	Component Unit Activities	Total
Debt service	$ 10,776,019	7,644,967	755,975	19,176,961
Construction	60,498,561	27,631,569	16,996,594	105,126,724
Tourism	2,018,185	-	-	2,018,185
Public safety	382,196	-	-	382,196
Cable equipment acquisition	219,451	-	-	219,451
Community and economic development and other purposes	1,808,332	-	-	1,808,332
Capital Metro transit	45,124	-	-	45,124
	$ 75,747,868	35,276,536	17,752,569	128,776,973

2. DETAILED NOTES ON ALL FUNDS, (continued)
B. Receivables

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

	Governmental Funds			Enterprise Funds			Total
	General	Debt Service	Other Governmental Funds	Water and Sewer	Solid Waste	Internal Service Funds	Governmental & Enterprise Funds
Property taxes	$ 160,700	168,750	-	-	-	-	329,450
Sales taxes	2,931,279	-	-	-	-	-	2,931,279
Franchise taxes	757,809	-	-	-	-	-	757,809
Other taxes	-	-	115,318	-	-	-	115,318
Charges for services	-	-	-	5,617,477	551,461	-	6,168,938
Other	365,243	-	405,763	205,947	-	8,687	985,640
Due from other funds	-	-	-	159,920	-	-	159,920
Notes receivable	-	12,673,111	41,080	3,535,792	-	-	16,249,983
Allowance for doubtful accounts	(1,426)	(1,491)	-	(602,777)	(57,666)	-	(663,360)
Net Receivables	$4,213,605	12,840,370	562,161	8,916,359	493,795	8,687	27,034,977

In fiscal year 2012, the City entered into a pass-through funding agreement with the Texas Department of Transportation (TxDOT). Consequently, the City established a receivable from TxDot which will be payable over future periods as follows:

- TxDOT will pay the City $0.035 for each vehicle mile traveled on the project during the previous year.
- The number of vehicle-miles traveled on the project will be based on actual traffic data, to the extent available.
- TxDOT's payments will be no less than $680,000 and no more than $1,360,000 per year.
- As of September 30, 2019, the receivable balance recorded in the Debt Service Fund is $12,673,111.

The Water and Sewer Fund receivable balance includes a note receivable of $3,535,792 from the City of Leander for their share of the buy-in cost for the Brushy Creek Regional Waste Water System with a stated interest rate of 3.0%. The City of Leander paid $219,801 toward the note receivable during the fiscal year, and is scheduled to make annual principal and interest payments of $332,469 through January 2032.

Governmental funds report deferred inflows for which revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of *deferred inflows* reported in the governmental funds were as follows:

Deferred Inflows	Delinquent Property Taxes	Notes and Other Receivables
General fund	$ 141,185	-
Debt service fund	147,587	12,673,111
Other governmental funds	-	-
	$ 288,772	12,673,111

2. DETAILED NOTES ON ALL FUNDS, (continued)
B. Receivables, (continued)

In accordance with Texas statues, the City approves a tax rate and an order to levy property taxes in October of each year. Property taxes are billed by the county tax assessor collector as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are payable on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of the year following the City's order to levy taxes (the assessment date), a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessment date represents the date on which an enforceable legal claim arises and attaches as a lien on the assessed property. In the government-wide financial statements, property tax revenue is recognized in the year for which the taxes are levied, net of an allowance for uncollectible taxes. In the Governmental Fund financial statements, property tax revenues are considered available when they become due and receivable within the current period.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature, which affects the method of property assessment and tax collection in the City. This legislation created a "Property Tax Code" and provides, among other things, for the establishment of countywide appraisal districts and for a State Property Tax Board, which commenced operations in January 1980.

Since 1982, the appraisal of property within the City has been the responsibility of the Williamson County Appraisal District. The Texas Legislature passed HB1010, requiring that property be appraised by the County appraisal district in which it is located. Therefore, a portion of the property appraisals were performed by Travis County Appraisal District. The appraisal districts are required, under the Property Tax Code, to assess all property within the appraisal on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. The City continues to set tax rates on property within the City limits.

However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements and revaluation, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than 8%.

The tax rate to finance general governmental services, other than the payment of principal and interest on general obligation long-term debt, for the year ended September 30, 2019, was $0.23260 per $100 of assessed valuation. The tax rate for servicing the payment of principal and interest on general obligation long-term debt for the fiscal year ended September 30, 2019 was $0.21640 per $100 of assessed valuation. The City levied taxes based on a combined tax rate of $0.44900 per $100 of assessed valuation for general governmental services and debt service.

2. DETAILED NOTES ON ALL FUNDS, (continued)
C. Investment in Joint Venture

In September 2009, the cities of Cedar Park, Round Rock, and Leander agreed to jointly pursue a regional water supply system that will ultimately provide treatment capacity for an additional 105.8 million gallons per day of potable water supply needed to meet future water demands of the three cities. In accordance with State law, the City Councils of the three cities authorized and approved the creation of the Brushy Creek Regional Utility Authority (BCRUA). The BCRUA intends to own, design, finance, construct, acquire, maintain, and operate the System in a manner that will allow the BCRUA to deliver potable water to the cities on a regional basis. Construction of Phase 1 of the project began during fiscal year 2010 and the plant opened in July 2012. Operation of the plant was halted temporarily in August 2013, due to low lake levels resulting from an ongoing drought. Mandatory decreased water withdrawals ordered by the Lower Colorado River Authority, and conservation efforts undertaken by the three partner cities have reduced system demand, which allowed the BCRUA facilities to remain off-line throughout 2015. Plant operations resumed in October 2015. The plant has remained in continuous operation since that time, expanding operational staffing in 2017 to allow for 24/7 operations. The City accounts for this partnership as a joint venture in the Water and Sewer Fund. The change in BCRUA's net position for the year is allocated to the City in proportion to the reserve capacity, as defined by the contract, for the financing of construction, ownership and operation of BCRUA.

Condensed financial statements for the BCRUA are presented below:

STATEMENT OF NET POSITION
As of September 30, 2019

ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and cash equivalents	$ 26,216,034	Accounts payable	$ 1,547,784
Total current assets	26,216,034	Retainage payable	306,109
		Due to partner cities	161,994
		Total current liabilities	2,015,887
Noncurrent assets:		Current liabilities payable from	
Restricted cash and cash equivalents		restricted assets:	
and investments:		Current portion of revenue bond payable	6,100,000
Debt service	120,720	Accrued interest	1,056,664
Escrow	21,199,203	Total current liabilities payable from	
Reserve	16	restricted assets	7,156,664
Land, easements, and construction		Noncurrent liabilities:	
in progress	33,901,592	Revenue bonds payable	188,157,957
Capital assets, net of accumulated depreciation:		Total noncurrent liabilities	188,157,957
Buildings, infrastructure, and equipment	129,806,704	Total liabilities	197,330,508
Total noncurrent assets	185,028,235	NET POSITION	
Total assets	211,244,269	Unrestricted	24,200,147
Deferred outflows of resources - refunding	14,065,382	Net investment in capital assets	3,778,996
Total assets and deferred outflows of resources	$225,309,651	Net position	$27,979,143
		Cedar Park share of net position:	**$ 4,479,260**

2. DETAILED NOTES ON ALL FUNDS, (continued)
C. Investment in Joint Venture, (continued)

STATEMENT OF ACTIVITIES
AND CHANGES IN NET POSITION
For the Year ended September 30, 2019

	BCRUA	Cedar Park Share
Operating revenues	$ 2,038,329	636,055
Operating expenses	12,216,742	2,303,770
Change in net position	(10,178,413)	(1,667,715)
Other income	978,066	181,015
Litigation settlement gain	1,069,103	198,097
Bond issuance costs	(125,013)	(69,243)
Net position, October, 2018	23,149,202	3,468,460
Net contribution of capital	13,086,198	2,368,646
Net position, September, 2019	$ 27,979,143	4,479,260

Complete audited financial statements may be obtained at the BCRUA, 450 Cypress Creek Bldg #1, Cedar Park, TX 78613.

2. DETAILED NOTES ON ALL FUNDS, (continued)
D. Capital Assets

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

GOVERNMENTAL ACTIVITIES:	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
Capital assets not depreciated:				
Land and other non-depreciable assets	$ 50,639,539	7,614,233	260,756	57,993,016
Construction in progress	18,269,504	16,322,558	27,363,319	7,228,743
Total assets not being depreciated	68,909,043	23,936,791	27,624,075	65,221,759
Capital assets being depreciated:				
Intangible assets	592,042	28,756	-	620,798
Building and improvements	103,764,719	4,394,523	-	108,159,242
Machinery and equipment	45,448,124	3,612,819	1,245,470	47,815,473
Infrastructure	263,739,965	16,290,490	-	280,030,455
Total capital assets being depreciated	413,544,850	24,326,588	1,245,470	436,625,968
Less accumulated depreciation:				
Intangible assets	592,042	7,988	-	600,030
Building and improvements	23,214,708	2,647,926	-	25,862,634
Machinery and equipment	29,729,101	4,451,135	1,235,346	32,944,890
Infrastructure	59,707,442	6,738,771	-	66,446,213
Total accumulated depreciation	113,243,293	13,845,820	1,235,346	125,853,767
Total capital assets being depreciated, net	300,301,557	10,480,768	10,124	310,772,201
Total capital assets, net	$ 369,210,600	34,417,559	27,634,199	375,993,960
		Related debt[1]		(127,306,554)
		Debt-related deferred outflows		6,917,555
		Net investment in capital assets		255,604,961

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	$ 9,414,686
Public safety	495,471
Culture and recreation	819,729
Streets and lighting	3,115,934
Total depreciation expense - governmental activities	$ 13,845,820

1 - Related debt is net of debt not associated with capital assets.

2. DETAILED NOTES ON ALL FUNDS, (continued)
D. Capital Assets, (continued)

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

	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Capital assets not being depreciated:				
Land and other non-depreciable assets	$ 3,948,355	-	-	3,948,355
Construction in progress	4,061,703	3,622,665	3,381,221	4,303,147
Total assets not being depreciated	8,010,058	3,622,665	3,381,221	8,251,502
Capital assets being depreciated				
Intangible assets	127,253	-	-	127,253
Building and improvements	29,673,036	-	-	29,673,036
Machinery and equipment	11,867,776	19,177	-	11,886,953
Infrastructure	277,455,928	5,108,656	125,142	282,439,442
Total capital assets being depreciated	319,123,993	5,127,833	125,142	324,126,684
Less accumulated depreciation:				
Intangible assets	127,253	-	-	127,253
Building and improvements	10,931,779	776,692	-	11,708,471
Machinery and equipment	5,566,549	899,305	-	6,465,854
Infrastructure	82,476,119	6,983,527	-	89,459,646
Total accumulated depreciation	99,101,700	8,659,524	-	107,761,224
Total capital assets being depreciated, net	220,022,293	(3,531,691)	125,142	216,365,460
Total capital assets, net	$ 228,032,351	90,974	3,506,363	224,616,962
		Related debt		(35,049,114)
		Debt-related deferred outflows		2,227,614
		Net investment in capital assets		191,795,462

Depreciation expense was charged to business-type activities as follows:

Business-type activities:	
Water and sewer	$ 8,513,140
Solid waste	146,384
Total depreciation expense - business-type activities	$ 8,659,524

2. DETAILED NOTES ON ALL FUNDS, (continued)
D. Capital Assets, (continued)
Commitments

Construction in progress and remaining commitments under related construction contracts for governmental activities at September 30, 2019 are as follows:

	Governmental Activities:	
Project Description	Authorized Project Amount	Remaining Project Balance
Anderson Mill Road	$ 9,894,600	4,093
Brushy Creek Regional Trail Connection Project	450,000	74,301
Sidewalk Gap Ph. IV	350,000	1,054
Arterial Overlay	6,500,000	709,146
Bell Boulevard Road Realignment	24,000,000	18,222,527
Bell Boulevard District Redevelopment	28,941,000	1,716,776
New Hope (Cottonwood Creek to Ronald Reagan)	7,530,940	110,647
New Hope (Ronald Reagan to Sam Bass)	6,018,547	4,907,659
Lakeline Boulevard Right Turn Lane Project	700,000	607,273
Whitestone Boulevard Right Turn Lane Project	700,000	607,301
Travis County Traffic Signal Standardization	120,000	67,336
Anderson Mill Road Phase II	8,700,000	8,496,628
Ronald Reagan and Caballo Ranch Right Turn Lane	250,000	207,766
Little Elm Trail and Fire Lane Improvements	650,000	590,524
County Road 272 Low Water Crossing	800,000	762,549
Bike Lane Stripping	350,000	299,523
Pole Mounted Street Signs Ph. 2	300,000	273,074
Parks and Recreation Maintenance Facility	2,555,000	7,915
Dog Park #2	265,000	228,040
Trail Lighting Project at Community Parks	50,000	41,521
Veteran's Memorial Park Improvements	500,000	4,976
Town Center Trail and Pedestrian Bridge	550,000	28,608
Lakeline Park	7,500,000	7,431,674
North Brushy Creek Trail Project	550,000	538,527
Brushy Creek Sports Park Improvements	230,000	165,547
Cluck Creek Lower	3,192,700	3,190,177
Ranchettes 2 and 3	3,592,400	3,589,811
Riviera East	2,390,000	2,387,608
Fire Station 5	5,955,000	545,748
Library Access Control	9,517	3,908
Library Master Plan	60,000	12,283
Police Dept Phase II Expansion	6,806,000	425,752
Contract Management Software	35,000	7,850
Quint #2 - VES Replacement	1,125,000	3,645
Quint #5	1,125,000	2,374
Brush Truck #5	175,000	4,356
Mobile Command Unit - Fire	830,000	2,227
City Hall Building 3 Reconfig/Remodel	2,800,000	165,480
Stormwater and Utility Building	600,000	147,753
FD Heavy Rescue Truck - VES	800,000	795,734
City Hall Building 1 Reconfiguration	1,962,500	1,941,138
	$ 139,913,204	59,330,829

2. DETAILED NOTES ON ALL FUNDS, (continued)
D. Capital Assets, (continued)
Commitments, (continued)

Construction in progress and remaining commitments under related construction contracts for business-type activities at September 30, 2019 are as follows:

	Business-Type Activities:	
Project Description	Authorized Project Amount	Remaining Project Balance
COTTONWOOD WW INTERCEPTOR- PH C-2	$ 5,750,000	5,305,116
WASTEWATER INFRASTRUCTURE REHAB/RE	1,381,125	1,028,915
WRF HEADWORKS REHABILITATION	795,000	620,811
BELL BLVD REDEVELOPMENT WASTERWATI	575,000	575,000
LAKELINE PARK WASTEWATER INFRASTRUC	150,000	150,000
LIFT STATION COATING REHAB	150,000	150,000
Anderson Mill Road Waterline	375,000	242,869
33" Waterline Condition Assessment	150,000	116,200
BCRUA Ph. II	7,720,000	7,720,000
New Hope 16" TM (Cottonwood to Ronald Reagai	1,130,000	-
Water Infrastructure Rehab/Relocation	1,381,125	660,239
Anderson Mill 16" TM (upgrade existing 12")	600,000	515,883
BCRUA Ph. 1C	4,430,000	4,430,000
Elevated Storage Tank (Pressure Plane 4)	3,850,000	3,613,342
WTP Intake Improvements Project	915,000	8,643
BCRUA Ph. 1D	300,000	300,000
BELL BLVD. REDEVELOPMENT WATER INFRA	775,000	775,000
LAKELINE PARK WATER INFRASTRUCTURE	250,000	250,000
RISK AND RESILIANCE ASSESSMENT	85,000	85,000
STORMWATER-WATER INFRASTRUCTURE RE	150,000	150,000
	$60,632,250	53,669,160

2. DETAILED NOTES ON ALL FUNDS, (continued)
E. Interfund Receivables, Payables, and Transfers

Interfund receivables, payables, and advances at September 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
Water and Sewer Fund	General Fund	$ 159,920

Interfund receivables, payables, and advances reflect loans between funds. The amount of $159,920 represents a loan from the Water and Sewer Fund for construction costs related to the City Hall facility.

Interfund transfers for the year ended September 30, 2019 consisted of the following:

	Transfer in:		
	Governmental Funds		
	General Fund	Capital Projects Fund	Total
Transfer out:			
General Fund	$ -	975,000	975,000
Other Governmental Funds	-	550,000	550,000
Water & Sewer Fund	4,849,052	-	4,849,052
	$ 4,849,052	1,525,000	6,374,052

Interfund transfers are authorized by City Council. Significant transfers include the Water and Sewer transfer to the General Fund for administrative and contract services provided by the General Fund.

2. DETAILED NOTES ON ALL FUNDS, (continued)
F. Long-term Liabilities

Long-term liability activity for the year ended September 30, 2019 was as follows:

	October 1, 2018	Increases	Decreases	September 30, 2019	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	$148,940,000	-	11,845,000	137,095,000	8,780,000
Certificates of obligation	22,525,000	-	2,565,000	19,960,000	2,510,000
Economic development bonds	37,200,000	-	2,000,000	35,200,000	2,085,000
Premium on issuance of bonds	14,008,496	-	2,202,871	11,805,625	-
Total bonds payable	222,673,496	-	18,612,871	204,060,625	13,375,000
Other long-term liabilities:					
Compensated absences	5,279,712	497,444	153,755	5,623,401	200,091
State Comptroller note	427,840	-	154,782	273,058	154,781
Total OPEB Liability	2,708,644	4,180,955	-	6,889,599	-
Net pension liability	16,131,951	6,446,524	-	22,578,475	-
Other long-term liabilities total	24,548,147	11,124,923	308,537	35,364,533	354,872
Governmental activities total	$247,221,643	11,124,923	18,921,408	239,425,158	13,729,872
Business-type Activities					
Water and Sewer activities					
Revenue bonds	$ 38,220,000	-	4,760,000	33,460,000	5,145,000
General obligation bonds	2,570,000	-	1,025,000	1,545,000	870,000
Premium on issuance of bonds	3,594,529	-	689,774	2,904,755	-
Total bonds payable	44,384,529	-	6,474,774	37,909,755	6,015,000
Other long-term liabilities:					
Compensated absences	628,757	108,110	22,337	714,530	36,997
Total OPEB Liability	219,811	650,495	-	870,306	-
Net pension liability	2,759,223	996,140	-	3,755,363	-
Other long-term liabilities total	3,607,791	1,754,745	22,337	5,340,199	36,997
Water and sewer activities total	47,992,320	1,754,745	6,497,111	43,249,954	6,051,997
Solid Waste activities					
Revenue bonds	355,000	-	175,000	180,000	180,000
Solid waste activities total	355,000	-	175,000	180,000	180,000
Business-type activities total	$ 48,347,320	1,754,745	6,672,111	43,429,954	6,231,997
Component Unit					
Community development bonds	$ 1,450,000	-	710,000	740,000	740,000
Premium on issuance of bonds	8,559	-	4,280	4,279	-
State Comptroller note	427,840	-	154,780	273,060	154,782
Component unit total	$ 1,886,399	-	869,060.00	1,017,339.00	894,782.00

Governmental liabilities include a note payable of $273,058 to repay sales tax revenues paid in error to the City in prior years. A summary of debt service requirements for the note repayments is shown on page 61.

The general fund is responsible for liquidating liabilities for compensated absences, other post-employment benefits and pensions in the governmental activities.

As of September 30, 2019, the City held no direct placement debt.

2. DETAILED NOTES ON ALL FUNDS, (continued)

F. Long-term Liabilities, (continued)

Governmental activities bonds and certificates of obligation payable at September 30, 2019, consisted of the following:

$8,420,000 Series 2011 General Obligation Refunding & Improvement Bonds due in annual installments of $70,000 to $460,000 through February 15, 2027; interest at 4.0%	$ 2,135,000
$29,4755,000 Series 2012 General Obligation Refunding & Improvement Bonds due in installments of $175,000 to $2,095,000 through February 15, 2032; interest at 3.25% to 5.0%	15,460,000
$12,115,000 Series 2012 Unlimited Tax Refunding Bonds due in installments of $345,000 to $770,000 through September 1, 2030; interest at 2.70% to 3.75%	5,625,000
$15,865,000 Series 2013 General Obligation Refunding Bonds due in installments of $350,000 to $925,000 through February 15, 2027; interest at 1.826% to 3.195%	5,310,000
$9,055,000 Series 2013A General Obligation Refunding Bonds due in installments of $85,000 to $955,000 through February 15, 2026; interest at 2.709%	4,320,000
$8,585,000 Series 2014 General Obligation Bonds due in installments of $400,000 to $670,000 through February 15, 2034; interest at 3.00% to 3.75%	7,725,000
$12,225,000 Series 2014 Pass-Through Toll Revenue and Limited Tax Bonds due in installments of $305,000 to $735,000 through February 15, 2031; interest at 3.0% to 4.0%	7,025,000
$36,260,000 Series 2015 General Obligation Refunding and Improvement Bonds due in installments of $295,000 to $3,535,000 through February 15, 2039; interest at 3.00% to 5.00%	32,985,000
$37,410,000 Series 2015 General Obligation Refunding Bonds, Taxable Series, due in installments of $2,085,000 to $3,095,000 through August 15, 2033; interest at 2.00% to 4.00%	35,200,000
$42,775,000 Series 2016 General Obligation Refunding and Improvement Bonds due in installments of $175,000 to $2,815,000 through February 15, 2040; interest at 3.00% to 5.00%	35,785,000
$1,735,000 Series 2017 Limited Tax Notes due in installments $245,000 to $260,000 through February 15, 2024; interest at 1.50% to 2.00%	1,260,000
$6,000,000 Series 2018 Limited Tax Notes, Taxable Series, due in installments of $1,160,000 to $1,270,000 through February 15, 2023; interest at 2.92% to 3.35%	4,855,000
$1,370,000 Series 2018 Limited Tax Notes, due in installments of $175,000 to $225,000 through February 15, 2025; interest at 4.00% to 5.00%	1,195,000
$33,375,000 Series 2018 General Obligation Bonds, due in installments of $350,000 to $2,780,000 through February 15, 2038; interest at 5.00%	33,375,000
Total governmental activities	$ 192,255,000

2. DETAILED NOTES ON ALL FUNDS, (continued)
F. Long-term Liabilities, (continued)

Business-type activities bonds and certificates of obligation payable at September 30, 2019, consisted of the following:

Water and Sewer activities		
$29,475,000 Series 2012 General Obligation Refunding and Improvement Bonds due in installments of $125,000 to $870,000 through February 15, 2025; interest at 5.00%	$	1,545,000
$14,915,000 Series 2013 Utility System Revenue Refunding Bonds due in installments of $305,000 to $2,245,000 through August 15, 2025; interest at 1.826% to 2.895%		3,860,000
$19,760,000 Series 2015 Utility System Revenue Refunding Bonds due in installments of $295,000 to $2,395,000 through August 15, 2030; interest at 3.00% to 5.00%		18,510,000
$16,400,000 Series 2016 Utility System Revenue Refunding Bonds due in installments of $355,000 to $2,605,000 through August 15, 2036; interest at 3.0% to 4.0%		11,090,000
Total Water and Sewer activities	$	35,005,000
Solid Waste activities		
$5,600,000 Series 2010 Combination Tax and Revenue Certificates of Obligation due in one installment of $180,000 on February 15, 2020; interest at 3.00%		180,000
Total Business-type activities	$	180,000
Component Unit debt		
$5,600,000 Series 2010 Combination Tax and Revenue Certificates of Obligation due in one annual installment of $480,000 on February 15, 2020; interest at 3.0%	$	480,000
$2,425,000 Series 2010 Senior Lien Sales Tax Revenue Refunding Bonds due in one annual installment of $260,000 on August 15, 2020; interest at 3.375%		260,000
Total Component Unit activities	$	740,000

All bonded debt and certificates of obligation require semiannual payments of interest. The various bond ordinances provide the City with rights of redemption at par, plus accrued interest, at specified future dates.

2. DETAILED NOTES ON ALL FUNDS, (continued)
F. Long-term Liabilities, (continued)

Annual debt service requirements for bonds and certificates of obligation outstanding are as follows:

	Governmental Activities		Business-Type Activities		Component Unit Activities	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 13,375,000	7,679,545	6,195,000	1,449,967	740,000	15,975
2021	13,875,000	7,163,363	3,235,000	1,294,148	-	-
2022	14,435,000	6,604,924	3,045,000	1,164,335	-	-
2023	14,640,000	6,029,726	2,585,000	1,038,206	-	-
2024	13,945,000	5,455,681	2,700,000	918,886	-	-
2025-2029	61,235,000	19,094,593	13,415,000	2,725,072	-	-
2030-2034	42,605,000	8,295,403	2,865,000	535,669	-	-
2035-2040	18,145,000	1,447,338	1,145,000	69,200	-	-
	$ 192,255,000	61,770,573	35,185,000	9,195,483	740,000	15,975

Annual debt service requirements for the sales tax repayment note payable are as follows:

Fiscal Year	Governmental Activities Principal	Component Unit Principal	Total Principal
Sales tax repayment			
2020	$ 154,781	154,781	309,562
2021	118,277	118,279	236,556
Total sales tax repayment	$ 273,058	273,060	546,118

During the current and prior fiscal years, the City defeased certain general obligation bonds, revenue bonds and certificates of obligation by placing funds in an irrevocable trust for the sole purpose of extinguishing the debt. The trust is required to hold only monetary assets that are essentially risk-free. Since the transactions meet the requirements of an in-substance defeasance, the City has removed the debt from its books. On September 30, 2019, defeased bonds and certificates of obligation outstanding are shown below:

Refunded Bonds	Escrow Maturity	Balance (1)
General Obligation Refunding & Improvement Bonds, Series 2011	2/15/2020	$ 1,355,000
Pass-Through Toll Revenue & Limited Tax Bonds, Series 2014	2/15/2023	2,935,000
		$ 4,290,000

(1) The balances shown have been escrowed until their respective call dates.

2. DETAILED NOTES ON ALL FUNDS, (continued)
F. Long-term Liabilities, (continued)

In September 2019, the City called $2,380,000 of Series 2013A General Obligation Refunding bonds, which constituted a current refunding with current resources. The acquisition price of $2,398,803 exceeded the net carrying value of $2,380,000, which resulted in a refunding loss of $18,803 that was reported in the government wide statements as a current-year loss as required by GASB 86. The City used its existing debt service capacity for the debt acquisition which resulted in a savings of approximately $506,279 to the City.

Due to the requirements of the Tax Reform Act of 1986, the City contracts for the computations of arbitrage rebate requirements for the City's various bond issues. At September 30, 2019, there was no arbitrage rebate liability.

In November 2015, the City was authorized to issue additional general obligation debt of $96,700,000. As of September 30, 2019, general obligation bonds authorized and unissued amounted to $31,332,000. In addition, the City does not have any outstanding special assessment debt and is not obligated in any manner for special assessment debt.

Pledged Revenues
The City has pledged future operating revenues net of specified operating expenses of the Water and Sewer Fund for the payment of interest and principal on the outstanding revenue bonds. The bonds are payable from the Water and Sewer fund net revenues, and payable through 2036. The total principal and interest remaining to be paid on the bonds is $44,197,783. Annual principal and interest payments on the bonds for current year were $7,392,671, and net revenues available were $15,483,612.

The City has pledged future operating revenues net of specified operating expenses of the Solid Waste Fund for the payment of interest and principal on the outstanding revenue bonds. The bonds are payable from the Solid Waste fund net revenues, and payable through 2020. The total principal and interest remaining to be paid on the bonds is $182,700. Annual principal and interest payments on the bonds for current year were $183,025, and net revenues available were $80,120.

2. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System
Plan Description

The City participates as one of 887 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 TMRS 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 at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the 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.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2018	Plan Year 2017
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	age 60 with 5 yrs svc, or any age with 20 yrs svc	age 60 with 5 yrs svc, or any age with 20 yrs svc
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	50% of CPI Repeating	30% of CPI Repeating
Supplemental Death Benefit to Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	133
Inactive employees entitled to but not yet receiving benefits	248
Active employees	473
Total	854

2. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System, (continued)
Contributions

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

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates tor the City were 14.34 percent and 14.44 percent in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2019 were $4,627,506, which were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

The TPL in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Overall payroll growth	3.0%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions were based on the results of actuarial experience studies over a four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. No additional changes were made for the 2018 valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

2. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System, (continued)
Long-Term Expected Rate of Return, (continued)

The long-term 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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the City's actuarial service provider, Gabriel, Roeder, Smith & Company, 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 strategic target allocation and acceptable ranges as determined by the Board to facilitate the achievement of long-term investment objectives within acceptable risk parameters are as follows:

Asset Class	Minimum %	Target %	Maximum %
U.S. Equities	12.50%	17.50%	22.50%
International Equities	12.50%	17.50%	22.50%
Core Fixed Income	5.00%	10.00%	15.00%
Non-Core Fixed Income	15.00%	20.00%	25.00%
Real Estate	5.00%	10.00%	15.00%
Real Return	5.00%	10.00%	15.00%
Absolute Return	5.00%	10.00%	15.00%
Private Equity	0.00%	5.00%	10.00%
Cash Equivalents	0.00%	0.00%	10.00%

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System, (continued)
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	$ 4,948,722	-	4,948,722
Interest	6,157,293	-	6,157,293
Change of benefit terms	-	-	-
Difference between expected and actual experience	525,481	-	525,481
Changes of assumptions	-	-	-
Contributions - employer	-	4,260,150	(4,260,150)
Contributions - employee	-	2,095,648	(2,095,648)
Net investment income	-	(2,123,839)	2,123,839
Benefit payments, including refunds of employee contributions	(1,887,429)	(1,887,429)	-
Administrative expense	-	(40,986)	40,986
Other changes	-	(2,141)	2,141
Net changes	9,744,067	2,301,403	7,442,664
Balance at 12/31/2017	89,688,504	70,797,330	18,891,174
Balance at 12/31/2018	$ 99,432,571	73,098,733	26,333,838

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate	Discount Rate (6.75%)	1% Increase in Discount Rate
City's Net Pension Liability	$ 43,816,567	$ 26,333,838	$ 12,299,053

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

2. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System, (continued)
Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2019, the City recognized pension expense of $6,326,142:

Total service cost	$ 4,948,722
Interest on the total pension liability	6,157,293
Current period benefit change	-
Employee contributions (reduction of expense)	(2,095,648)
Projected earnings on plan investments (reduction of expense)	(4,778,820)
Administrative expense	40,986
Other changes in fiduciary net position	2,141
Recognition of current year outflow (inflow) of resources-liabilities	89,826
Recognition of current year outflow (inflow) of resources-assets	1,380,532
Amortization of prior year outflows (inflows) of resources-liabilities	623,506
Amortization of prior year outflows (inflows) of resources-assets	(42,396)
Total pension expense (income)	$ 6,326,142

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	$ 1,956,848	-
Changes in actuarial assumptions	270,239	-
Difference between projected and actual investment earnings	6,204,354	2,516,340
Current year contributions subsequent to the measurement date	3,573,795	-
Total	$ 12,005,236	2,516,340

The reported $3,573,795 of deferred outflows of resources, related to pensions resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2020. The remaining balance to be recognized in future years will be impacted by additional future deferred inflows and outflows of resources:

Year Ended September 30	Deferred Outflow of Resources	Deferred Inflow of Resources
2020	$ 2,776,092	839,201
2021	2,007,518	839,201
2022	1,843,961	837,938
2023	1,714,038	-
2024	89,832	-
Total	$ 8,431,441	2,516,340

2. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits
Post-Employment Healthcare Plan
Plan Description

The City's post-employment healthcare benefits plan is a single-employer defined-benefit plan and is available for retirees through the City's medical insurance provider. The benefits vary depending upon a retiree's years of service. On September 13, 2018, the City Council approved changes to the City's other post-employment benefits (OPEB) plan. Benefits provided for employees who retired on or before September 30, 2010 or employees with 15 years of service, who were eligible for TMRS retirement on October 1, 2010, were unchanged (grandfathered). Benefit payments for these employees are made on a pay-as-you-go basis and are as follows:

- The City pays 100% of premiums of health care coverage for employees who retired prior to April 1, 2004 with 10 years of full time continuous service immediately prior to retirement.
- For employees who retired between March 31, 2004 and October 1, 2010 and employees with at least 15 years of service who were eligible for TMRS retirement as of October 1, 2010, the City pays the following percentages of scheduled insurance premiums:

Years of service	Percentage paid by the City
25+	75%
20-24	50%
15-19	25%
< 15	0%

Employees who were not eligible to retire as of October 1, 2010 or did not have 15 years of City service as of October 1, 2010 (non-grandfathered employees), will pay the following premiums based on years of service:

Years of service	Percentage paid by the retiree
25+	75% of blended rate
10-24	Retiree pays full blended rate
<10	Retiree pays full unblended rate

Upon reaching Medicare age, eligibility for medical insurance coverage will cease for all retiree groups. However, the City will provide access to Medicare supplemental coverage through the City's medical insurance provider.

2. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits, (continued)
Post-Employment Healthcare Plan, (continued)
Plan Description, (continued)

Membership in the Plan consisted of the following as of the plan year measurement date of December 31, 2018:

Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	-
Active employees	432
Total	**443**

Contributions

Permanent full-time employees of the City are eligible to participate in the retiree healthcare plan, but must contribute to their premiums based upon the premium sharing defined by the OPEB plan. For the year ended September 30, 2019, the City paid $36,449 related to the healthcare premiums for retirees on a pay-as-you-go basis.

Postretirement healthcare benefits vary depending upon the following criteria:

- For pre-April 2004 retired grandfathered employees, the City contributes to a retiree's medical insurance premium at the same level in which it contributes towards an active, full-time employee's premium, provided the retiree has at least 10 years of continuous service (depending on retirement date) with the City immediately prior to retirement.

- For employees who retired, or were eligible to retire between March 31, 2004 and October 1 2010, with at least 15 years of continuous service with the City of Cedar Park, the City will contribute a percentage (75 percent of the coverage, 50 percent of the coverage and 25 percent of the coverage) based on years of service on the retirement date. A retiree is entirely responsible for the cost of eligible dependent coverage (dependent(s) who were covered at the time of retirement).

- Non-grandfathered employees and their dependents will have access to the plan at the blended premium rates if the employee has over 10 years of continuous service with the City immediately prior to retirement. If the employee has less than 10 years of service at retirement, the employee will have access to the plan at the unblended rate. Employees retiring with 25 or more years of service will receive access to the plan at the blended rate and will receive a 25% subsidy.

The City's monthly cost per employee for medical and prescription drug benefits at select ages are shown below:

For Those Not Eligible For Medicare		
Age	Male	Female
40	$ 457.97	744.17
50	742.36	914.52
60	1,261.67	1,242.32
64	$ 1,534.23	1,447.90

Upon reaching Medicare age, eligibility for coverage under the City's health plans will cease. However, the City will provide access for retirees and dependents to purchase Medicare supplement coverage through the City's provider.

2. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits, (continued)
Supplemental Death Benefits Fund
Plan Description

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

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

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	74
Active employees	473
Total	**650**

Contributions

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

The City's contributions on behalf of retirees to the TMRS SDBF for the years ended 2019, 2018 and 2017 were $3,209, $2,950, and $2,729 respectively, which equaled the required contributions for each year.

TMRS issues a publicly available CAFR that includes financial and supplementary information for the SDBF. That report may be obtained from the TMRS website at www.tmrs.com.

Total OPEB Liability

The City's total combined OPEB liability of $7,759,905, for the healthcare and SDBF plans, was measured as of December 31, 2018, and was determined by an actuary as of that date. Other post-employment liabilities attributable to governmental activities are generally liquidated by the general fund.

Actuarial Assumptions

The total OPEB liability was determined as of December 31, 2018 using the following actuarial assumptions:

Inflation rate	2.5%
Salary increase rate	3.5% to 10.5%, including inflation
Discount rate	3.71% as of December 31, 2018

Supplemental death benefit mortality rates were based on the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustments for Males or Females, as appropriate.

2. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits, (continued)
Discount Rate

The City does not have formal assets, therefore the discount rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date of December 31, 2018. For this valuation, the municipal bond rate is 3.71% based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index.

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

The following presents the plan's total OPEB liability, calculated using a discount rate of 3.71%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 2.71%	Current Discount Rate Assumption 3.71%	1% Increase 4.71%
Post Employment Healthcare	$ 7,782,369	6,937,492	6,182,572
Supplemental Death Benefits	1,009,107	822,413	681,098
Total	$ 8,791,476	7,759,905	6,863,670

Sensitivity of the Total OPEB Liability to Healthcare Cost Trend Rate

The assumed healthcare cost trend rate for non-Medicare costs consists of initial trend rate of 7.50% declining to an ultimate rate of 4.25% after 15 years; for Medicare, an initial rate of 5.25% declining to an ultimate rate of 4.25% after 5 years.

The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Post Employment Healthcare	$ 5,877,502	6,937,492	8,233,432

Changes to the Total OPEB Liability

	Health Care	SDBF	Total OPEB Liability
Balance at 9/30/2018	**$ 2,150,841**	**777,614**	**2,928,455**
Changes for the year:			
Service Cost	52,306	50,894	103,200
Interest on the total OPEB liability	70,610	26,532	97,142
Changes of benefit terms	4,825,673	-	4,825,673
Differences between expected and actual experience	11,561	38,892	50,453
Changes in assumptions or other inputs	(86,004)	(68,525)	(154,529)
Benefit payments	(87,495)	(2,994)	(90,489)
Net changes	**4,786,651**	**44,799**	**4,831,450**
Balance at 9/30/2018	**$ 6,937,492**	**822,413**	**7,759,905**

2. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits, (continued)
OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes between expected and actual experience	$ 44,257	-
Changes in assumptions	141,264	137,258
Employer contributions subsequent to the measurement date	486,522	-
Total	**$ 672,043**	**137,258**

Amounts reported as deferred outflows / (inflows) of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ending September 30,	Healthcare Plan	SDBF	Total
2020	3,152	5,844	8,996
2021	3,152	5,844	8,996
2022	3,152	5,844	8,996
2023	3,152	5,844	8,996
2024	3,152	5,844	8,996
Thereafter	3,288	(5)	3,283
Total	19,048	29,215	48,263

On September 20, 2019, the City established a formal OPEB trust after the measurement date thus continues to report the total OPEB liability. It also did not use the trust to reimburse itself for any benefit payments during this reporting period. As a result, the City's contribution of $486,521 includes a trust contribution of $426,000, explicit subsidies of $29,776, and implicit subsidies of $30,745.

2. DETAILED NOTES ON ALL FUNDS, (continued)

I. 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 natural disasters. These risks are covered by commercial insurance purchased from independent third parties and through the Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool (the "Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. Settled claims have not exceeded insurance coverage limits for the past three years.

2. DETAILED NOTES ON ALL FUNDS, (continued)
J. Commitments and Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that 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 a defendant in various lawsuits. Legal counsel and City management are of the opinion that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Leases
The City is committed under a lease agreement for printer/copier machines. For accounting purposes, the leases are operating leases in the general and utility funds. Lease expenses for the fiscal year ended September 30, 2019 amounted to $32,902. Most of the lease contracts expired in February of 2019, and equipment leases continued on a monthly basis. As of the report date, new lease agreements are not in place. Of the lease agreements in place at September 30, 2019, the City is committed to minimum lease payments of $5,871 over the life of the agreements, with $2,707 committed to the next fiscal year.

2. DETAILED NOTES ON ALL FUNDS, (continued)
K. Tax Abatements

The City enters into economic development agreements with local businesses under Chapter 380 of the Local Government Code, which provides for the offering of grants from any source to promote state and local economic development and to stimulate business and commercial activity.

The agreements are performance based, and rebate of a portion of sales taxes generated by the development, and/or a portion of incremental property taxes.

The City has defined certain criteria that allows for the recipients to be eligible to receive a tax abatement through repayment of collected taxes. The recipient condition for eligibility includes a commitment by the recipient to fund public improvements which allow for reimbursement of specific project costs targeted at commercial and residential improvements that are reimbursed via month, quarterly or annual tax abatements.

For the fiscal year ended September 30, 2019, the City abated sales and ad valorem (AV) taxes as follows:

Tax Abatement Detail

Entity	Sales Tax	AV Tax	Total
Costco Wholesale	$ 386,236	24,911	411,147
Cedar Park Town Center LF	50,112	19,065	69,177
1890 Holdings Ltd	730,592	176,141	906,733
CP New Hop LTD	391,119	248,881	640,000
Total Tax Abatements	$ 1,558,059	468,998	2,027,057

As previously discussed on page 32 of this report, the City has entered into two Tax Increment Reinvestment Zone agreements. These agreements were established under The Texas Property Redevelopment and Tax Abatement Act, Chapter 312, Tax Code, V.A.T.S as amended, allowing localities to abate taxes for economic development purposes. During fiscal year 2019, the City rebated property taxes totaling $737,424 related to TIRZ #1. There were no reimbursements related to TIRZ #2.

2. DETAILED NOTES ON ALL FUNDS, (continued)
L. Component Units

Community Development Corporation

Revenue bonds payable for the Community Development Corporation totaled $740,000 at year-end. Total principal and interest of $755,975 is payable next year. The Community Development Corporation has pledged future sales tax revenues to service the debt. Bond ratings for the Community Development Corporation were "AA+" (Standard & Poor's) at September 30, 2019.

In fiscal year 2019, the Community Development Corporation contributed funds to the City for operating and capital projects in the following governmental funds:

General fund reimbursement	$	2,100,000
General fund operating projects		95,000
Capital Projects fund		2,230,000
	$	4,425,000

Economic Development Corporation

The Economic Development Corporation has pledged future sales tax revenues equal to the principal and interest due on certificates of obligation issued by the City, as they become due and payable. Proceeds from the bonds provided financing for the construction of the Cedar Park Center. Bonds payable at year end totaled $35,200,000. The total principal and interest remaining at September 30, 2019 is $45,082,935, payable over the next 14 years. In fiscal year 2019, the Economic Development Corporation contributed an amount equal to its debt service requirement of $3,218,726 to the City's Debt Service Fund in meeting its obligation.

In fiscal year 2019, the Economic Development Corporation contributed funds to the City for operating and capital projects in the following governmental funds:

General fund, Cedar Park Center	$	175,000
Debt Service fund		3,218,726
	$	3,393,726

2. DETAILED NOTES ON ALL FUNDS, (continued)
L. Component Units, (continued)
Contingent Liabilities

The City's Economic Development and Community Development Corporations enter into economic development agreements with various entities for payment of incentive amounts to promote the development of new or expanded enterprises, eliminate unemployment and underemployment, and to promote public welfare within the City of Cedar Park. Payments are contingent upon the entities meeting the specific agreement goals, and are not made in advance of performance.

The Economic Development and Community Development Corporations had $1,886,221 of outstanding commitments at September 30, 2019, which were expected to be paid, pending performance, over the next five years. Outstanding commitments for each entity were as follows:

	Outstanding Commitment	Fiscal Year 2019 Payments
Community Development Corporation		
Dana Holding Corporation	$ -	5,000
VUV Analytics	112,000	-
Economic Development Corporation		
Riverside Resources	1,500,000	-
Revenue Cycle, Inc	45,600	15,200
Swagelok	-	75,000
Innovative Funding Services	130,000	130,000
Hyliion	800,000	180,000
Fifteen Five Corporation	81,220	-
AMT	480,850	-
James Avery	356,250	-
Project Hop	150,000	-
Project Excalibur	193,031	-
Project Sales	51,600	-
	$ 3,900,551	405,200

CEDAR PARK

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CEDAR PARK

REQUIRED SUPPLEMENTARY INFORMATION

General Fund **City of Cedar Park, Texas**

Schedule Of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis

For the Year Ended September 30, 2019

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes and penalties				
Current ad valorem	21,065,321	21,065,321	21,508,119	442,798
Delinquent ad valorem	147,078	147,078	27,779	(119,299)
Franchise	4,651,995	3,327,801	3,542,499	214,698
Sales	16,894,135	16,894,135	16,643,855	(250,280)
Beverage	336,258	336,258	369,845	33,587
Total taxes and penalties	43,094,787	41,770,593	42,092,097	321,504
Licenses and permits				
Building permits	1,146,970	1,146,970	947,715	(199,255)
Planning and zoning	184,132	184,132	135,286	(48,846)
Engineering review	25,083	25,083	14,510	(10,573)
Professional fee recovery	46,100	46,100	29,382	(16,718)
Construction inspection fees	175,990	175,990	165,638	(10,352)
Total licenses and permits	1,578,275	1,578,275	1,292,531	(285,744)
Fines and forfeitures				
Traffic violations	638,954	638,954	545,705	(93,249)
Municipal court security fees	5,189	5,189	4,711	(478)
Total fines and forfeitures	644,143	644,143	550,416	(93,727)
Charges for services				
Fire protection fees	1,813,343	1,813,343	1,844,942	31,599
Parks and recreation fees	1,371,608	1,371,608	1,355,142	(16,466)
Library fines	93,848	93,848	72,470	(21,378)
Animal control fees	2,912	2,912	1,976	(936)
Police services	154,978	154,978	158,021	3,043
Administrative fees	1,210,215	1,298,215	1,237,496	(60,719)
Total charges for services	4,646,904	4,734,904	4,670,047	(64,857)
Interest earnings	305,026	305,026	669,856	364,830
Miscellaneous				
Other	2,660,573	2,816,893	2,613,906	(202,987)
Total miscellaneous	2,660,573	2,816,893	2,613,906	(202,987)
Total Revenues	52,929,708	51,849,834	51,888,853	39,019

(1) Variance is actual to final budget.

(Continued)

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
GENERAL GOVERNMENT				
General Administration				
Personnel services	431,113	362,868	362,868	-
Supplies and materials	18,487	18,487	27,044	(8,557)
Maintenance and repairs	15,500	15,500	26,337	(10,837)
Services and charges	1,588,903	1,438,903	1,207,121	231,782
Loan payments	154,782	154,782	154,781	1
Total General Administration	2,208,785	1,990,540	1,778,151	212,389
Mayor and City Council				
Supplies and materials	3,325	3,325	2,148	1,177
Services and charges	72,875	72,875	74,039	(1,164)
Total Mayor and City Council	76,200	76,200	76,187	13
City Manager				
Personnel services	606,884	646,884	630,438	16,446
Supplies and materials	2,375	2,375	3,231	(856)
Services and charges	50,350	50,350	45,546	4,804
Total City Manager	659,609	699,609	679,215	20,394
City Attorney				
Personnel services	618,511	630,511	612,465	18,046
Supplies and materials	2,965	2,965	2,391	574
Services and charges	195,080	195,080	124,558	70,522
Total City Attorney	816,556	828,556	739,414	89,142
City Secretary				
Personnel services	106,070	111,070	107,336	3,734
Supplies and materials	712	712	526	186
Services and charges	72,636	72,636	51,845	20,791
Total City Secretary	179,418	184,418	159,707	24,711
Finance				
Personnel services	907,610	917,610	896,388	21,222
Supplies and materials	9,350	9,350	8,606	744
Services and charges	399,301	399,301	331,826	67,475
Capital outlay	-	-	28,756	(28,756)
Total Finance	1,316,261	1,326,261	1,265,576	60,685
Information Technology				
Personnel services	1,072,551	1,167,551	1,192,168	(24,617)
Supplies and materials	10,528	10,528	11,039	(511)
Maintenance and repairs	23,675	23,675	23,054	621
Services and charges	1,111,845	1,111,845	863,628	248,217
Capital outlay	-	-	9,504	(9,504)
Total Information Technology	2,218,599	2,313,599	2,099,393	214,206

(1) Variance is actual to final budget.

(Continued)

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Human Resources				
Personnel services	489,730	494,730	476,071	18,659
Supplies and materials	6,850	6,850	4,446	2,404
Services and charges	270,241	270,241	211,926	58,315
Total Human Resources	766,821	771,821	692,443	79,378
Public Information				
Personnel services	455,088	465,088	438,047	27,041
Supplies and materials	1,883	1,883	1,554	329
Services and charges	86,012	86,012	74,988	11,024
Total Public Information	542,983	552,983	514,589	38,394
Economic Development				
Personnel services	285,066	357,492	333,457	24,035
Supplies and materials	950	7,250	3,461	3,789
Services and charges	2,324,471	2,368,745	2,190,934	177,811
Total Economic Development	2,610,487	2,733,487	2,527,852	205,635
Public Works, Fleet & Buildings				
Personnel services	1,824,923	1,788,168	1,739,148	49,020
Supplies and materials	80,666	80,666	69,195	11,471
Maintenance and repairs	111,255	111,255	141,902	(30,647)
Services and charges	452,090	452,090	333,283	118,807
Capital outlay	95,000	95,000	92,688	2,312
Total Public Works, Fleet & Buildings	2,563,934	2,527,179	2,376,216	150,963
Planning and Transportation				
Personnel services	823,210	838,210	860,589	(22,379)
Supplies and materials	5,795	5,795	3,600	2,195
Maintenance and repairs	500	500	-	500
Services and charges	62,697	62,697	53,093	9,604
Total Planning and Transportation	892,202	907,202	917,282	(10,080)
Tourism				
Personnel services	124,827	134,827	121,731	13,096
Supplies and materials	950	950	-	950
Maintenance and repairs	1,207	1,207	538	669
Services and charges	7,042	7,042	10,320	(3,278)
Total Tourism	134,026	144,026	132,589	11,437
Total General Government	14,985,881	15,055,881	13,958,614	1,097,267

(1) Variance is actual to final budget.

(Continued)

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (Continued)				
PUBLIC SAFETY				
Municipal Court				
Personnel services	532,968	552,968	518,483	34,485
Supplies and materials	3,515	3,515	3,429	86
Maintenance and repairs	10,000	10,000	26,079	(16,079)
Services and charges	97,843	97,843	81,985	15,858
Total Municipal Court	644,326	664,326	629,976	34,350
Police				
Personnel services	12,313,896	12,228,896	12,142,032	86,864
Supplies and materials	581,478	581,478	479,353	102,125
Maintenance and repairs	202,000	202,000	214,224	(12,224)
Services and charges	2,211,594	2,211,594	2,138,474	73,120
Capital outlay	164,630	164,630	257,138	(92,508)
Total Police	15,473,598	15,388,598	15,231,221	157,377
Animal Control				
Personnel services	212,308	212,308	215,703	(3,395)
Supplies and materials	17,640	17,640	19,512	(1,872)
Maintenance and repairs	4,050	4,050	2,301	1,749
Services and charges	243,146	243,146	213,263	29,883
Total Animal Control	477,144	477,144	450,779	26,365
Building Inspection & Code Enforcement				
Personnel services	842,992	842,992	800,719	42,273
Supplies and materials	13,899	13,899	10,942	2,957
Maintenance and repairs	6,110	6,110	3,398	2,712
Services and charges	138,865	138,865	116,876	21,989
Total Building Inspection & Code Enforcement	1,001,866	1,001,866	931,935	69,931
Fire				
Personnel services	9,223,767	9,113,767	9,123,627	(9,860)
Supplies and materials	200,588	200,588	234,763	(34,175)
Maintenance and repairs	411,084	411,084	492,994	(81,910)
Services and charges	1,281,304	1,281,304	1,154,394	126,910
Capital outlay	94,550	94,550	91,556	2,994
Total Fire	11,211,293	11,101,293	11,097,334	3,959

(1) Variance is actual to final budget.

(Continued)

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (Continued)				
Emergency Management				
Personnel services	90,316	108,316	92,274	16,042
Supplies and materials	13,363	13,363	16,646	(3,283)
Maintenance and repairs	5,500	5,500	759	4,741
Services and charges	134,144	134,144	141,302	(7,158)
Capital outlay	-	-	8,294	(8,294)
Total Emergency Management	243,323	261,323	259,275	2,048
Total Public Safety	29,051,550	28,894,550	28,600,520	294,030
CULTURE AND RECREATION				
Parks and Recreation				
Personnel services	2,758,992	2,793,992	2,665,843	128,149
Supplies and materials	271,256	271,256	294,273	(23,017)
Maintenance and repairs	389,549	389,549	409,960	(20,411)
Services and charges	992,332	992,332	982,776	9,556
Capital outlay	127,800	127,800	161,193	(33,393)
Total Parks and Recreation	4,539,929	4,574,929	4,514,045	60,884
Library				
Personnel services	1,135,667	1,160,667	1,140,318	20,349
Supplies and materials	27,698	27,698	27,087	611
Maintenance and repairs	69,370	69,370	56,498	12,872
Services and charges	501,856	501,856	471,832	30,024
Capital outlay	-	-	19,656	(19,656)
Total Library	1,734,591	1,759,591	1,715,391	44,200
Total Culture and Recreation	6,274,520	6,334,520	6,229,436	105,084

(1) Variance is actual to final budget.

(Continued)

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (Continued)				
STREETS AND LIGHTING				
Streets and Lighting				
Personnel services	2,009,104	1,974,104	1,917,015	57,089
Supplies and materials	984,214	984,214	901,419	82,795
Maintenance and repairs	374,806	374,806	260,536	114,270
Services and charges	2,020,308	1,180,308	1,128,338	51,970
Capital outlay	281,000	281,000	525,946	(244,946)
Total Streets and Lighting	5,669,432	4,794,432	4,733,254	61,178
TOTAL EXPENDITURES	55,981,383	55,079,383	53,521,824	1,557,559
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(3,051,675)	(3,229,549)	(1,632,971)	1,596,578
OTHER FINANCING SOURCES				
Transfers in	3,524,858	4,849,052	4,849,052	-
Transfers out	(210,000)	(1,200,000)	(1,200,000)	-
Total other financing sources	3,314,858	3,649,052	3,649,052	-
Excess (Deficiency) Of Revenues and other sources over expenditures	263,183	419,503	2,016,081	1,596,578
Fund balance, beginning of year			22,154,684	
Reconciliation of fund balance (GAAP basis)				
Perspective differences				
Net effect on consolidated fund excluded from the annual budget			1,095,566	
Fund balance, end of year			25,266,331	

(1) Variance is actual to final budget.

The City Council follows these procedures in establishing budgetary data reflected in as RSI:

(1) Prior to August 31, the City Manager submits a proposed operating budget to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

(2) On or before September 30, the City Council holds public hearings and adopts the budget.

(3) Any revisions that alter the total expenditures of any fund must be adopted by the City Council after formal public budget hearings.

(4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service Fund, Economic and Community Development Funds, and the Enterprise Fund at the fund and department level. Formal budgetary integration is employed for ten Special Revenue Funds, with the remainder excluded because the amount of revenue and expenditures vary depending on unpredictable availability of resources. Capital Project Funds budgetary control is provided by project length budgets.

(5) Budgets for the General and the Debt Service Funds are adopted on the modified accrual basis of accounting. The budget for the Enterprise Fund is prepared on an accrual basis of accounting.

(6) Budget appropriations lapse at year-end and do not carry forward to future periods, except as authorized by City Council action for capital and operating projects that typically have a life span beyond the end of the fiscal year.

(7) The legal level of budgetary control (level at which the governing body must approve any excess of expenditures over appropriations or transfers of appropriated amounts) is established by the City Charter. Management cannot amend the budget without the approval of the City Council.

(8) The budget to actual is presented for the general and debt service funds. The City's budget for these funds is presented in accordance with generally accepted accounting principles in the United States of America (GAAP) except for the exclusion of the perspective differences within the general fund. The perspective differences are related to operating project expenditures which are budgeted according to project life cycle rather than an annual basis.

During fiscal year 2019, the General Fund expenditure budget was amended to increase departmental budgets for Tourism, Legal Services, Library Services, Parks and Recreation, Development Services, Emergency Management, Economic Development, Community Affairs, Municipal Court, Human Resources, Information Services, Finance, City Secretary, and City Manager's Office. These increases were related to a realignment of budgeted employee merit pay compensation and vacancy savings, originally budgeted as a lump sum in the general administrative non-department budget. The General Fund budget was amended to reflect the actual impact of these initiatives for each department. Because these adjustments were all within the General Fund, including the adjustment to the non-departmental budget, this amendment did not change overall appropriations in the General Fund.

Additionally, the General Fund was amended by $88,000 to reflect the addition of a new position and additional contract services in the Economic Development Department. This increase in the expenditure budget was offset by an increase in the reimbursement from the City's Type A Economic Development Fund.

Required Supplementary Information **City of Cedar Park, Texas**

Schedule of Changes in the Net Pension Liability and Related Ratios

For the Year Ended September 30, 2019

	Measurement Year Ended December 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Total Pension Liability					
Service cost	$ 4,948,722	4,400,144	4,067,173	3,320,371	2,912,024
Interest (on the Total Pension Liability)	6,157,293	5,497,034	4,695,392	4,347,515	3,589,114
Changes of benefit terms	-	3,773,420	-	4,561,227	-
Difference between expencted and actual experience	525,481	1,361,489	690,138	176,330	884,323
Change of assumptions	-	-	-	750,653	-
Benefit payments, including refunds of employee contributions	(1,887,429)	(1,615,265)	(1,417,599)	(1,610,912)	(1,022,223)
Net Change in Total Penison Liability	9,744,067	13,416,822	8,035,104	11,545,184	6,363,238
Beginning total pension liability	89,688,504	76,271,682	68,236,578	56,691,394	50,328,156
Ending Total Penison Liability	$ 99,432,571	89,688,504	76,271,682	68,236,578	56,691,394
Plan Fiduciary Net Position					
Contributions - employer	$ 4,260,150	3,504,937	2,969,345	2,173,630	1,877,572
Contributions - employee	2,095,648	1,949,431	1,799,634	1,644,911	1,555,387
Net investment income	(2,123,839)	8,161,466	3,517,288	73,466	2,565,431
Benefit payments, including refunds of employee contributions	(1,887,429)	(1,615,265)	(1,417,599)	(1,610,912)	(1,022,223)
Administrative expense	(40,986)	(42,264)	(39,700)	(44,741)	(26,777)
Other	(2,141)	(2,142)	(2,139)	(2,210)	(2,202)
Net Change in Plan Fiduciary Net Position	2,301,403	11,956,163	6,826,829	2,234,144	4,947,188
Beginning plan fiduciary net position	70,797,330	58,841,167	52,014,338	49,780,194	44,833,006
Ending Plan Fiduciary Net Position	$ 73,098,733	70,797,330	58,841,167	52,014,338	49,780,194
Net Pension Liability	$ 26,333,838	18,891,174	17,430,515	16,222,240	6,911,200
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.52%	78.94%	77.15%	76.23%	87.81%
Covered Payroll	$ 29,937,822	27,849,016	25,709,056	23,498,730	22,219,816
Net Pension Liability as a Percentage of Covered Employee Payroll	87.96%	67.83%	67.80%	69.03%	31.10%

Notes to Schedule:

Only five years of information is currently available. The City will build this schedule over the next five years.

Required Supplementary Information **City of Cedar Park, Texas**
Schedule of Contributions
Employees' Retirement System
For the Year Ended September 30, 2019

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Acuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributioins as a Percentage of Covered Payroll
2019	$ 4,627,506	4,627,506	-	32,095,900	14.42%
2018	4,120,528	4,120,528	-	29,506,317	14.37%
2017	3,398,614	3,398,614	-	27,285,166	12.46%
2016	2,848,789	2,848,789	-	25,948,666	10.98%
2015	2,130,241	2,130,241	-	23,257,262	9.16%
2014	1,831,299	1,831,299	-	21,938,845	8.35%
2013	1,715,640	1,715,640	-	20,340,592	8.43%
2012	1,634,226	1,634,226	-	19,226,185	8.50%
2011	1,607,207	1,607,207	-	18,123,061	8.87%
2010	839,201	1,681,910	842,709	18,121,935	9.28%

Notes to Schedule of Contributions

Valuation Date:

Notes — Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Peri	26 years
Asset Valuation Method	10 Year smoothed market, 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rate multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes — There were no benefit changes during the year.

Required Supplementary Information
OPEB Schedule of Changes in Total Liability and Related Ratios
For the Year Ended September 30, 2019

	Reporting Fiscal Year	
Total OPEB Liability - Health Care	**2019**	**2018**
Service Cost	$ 52,306	44,762
Interest	70,610	75,797
Change of benefit terms	4,825,673	-
Difference between expected and actual experience	11,561	-
Changes of assumptions or other inputs	(86,004)	107,001
Benefit payments	(87,495)	(87,515)
Net change in total OPEB liability	4,786,651	140,045
Total OPEB liability - beginning	2,150,841	2,010,796
Total OPEB liability - ending	$ 6,937,492	2,150,841
Covered payroll	29,853,310	27,760,759
Total OPEB liability as a percentage of covered payroll	23.24%	7.75%

	Reporting Fiscal Year	
Total OPEB Liability - Supplemental Death Benefit	**2019**	**2018**
Service Cost	$ 50,894	41,774
Interest	26,532	24,903
Change of benefit terms	-	-
Difference between expected and actual experience	38,892	-
Changes of assumptions or other inputs	(68,525)	74,405
Benefit payments	(2,994)	(2,785)
Net change in total OPEB liability	44,799	138,297
Total OPEB liability - beginning	777,614	639,317
Total OPEB liability - ending	$ 822,413	777,614
Covered payroll	29,937,825	27,849,016
Total OPEB liability as a percentage of covered payroll	2.75%	2.79%

Note to Schedule:
Only two years of information is currently available. The City will build this schedule over the next eight years.

CEDAR PARK

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Occupancy Tax – to account for the receipt and expenditure of funds received by the City from the assessment of hotel and motel occupancy tax. State law restricts the use of these funds to activities that promote or enhance tourism within the City.

Capital Metro Transit – to account for the receipt and expenditure of funds received from the Capital Metropolitan Authority, which are to be used for improvements to facilities.

Law Enforcement – to account for the receipt and expenditure of seized and donated funds to be used exclusively for law enforcement purposes.

Texas Capital – to account for economic development grants through the Texas Department of Commerce Texas Capital Funds program and business contributions to build facilities or infrastructure for businesses located in the Cedar Park area.

Restricted Grant – to account for all grants awarded to the City, and to account for any other funds donated to the City for a restricted purpose.

Cable – to account for franchise fees restricted for Public, Educational, and Governmental (PEG) channel activities including broadcasting services, audio-visual improvements, and programming.

Tax Increment Reinvestment Zone No. 1 – to account for activities within the zone that was established by ordinance in 2001. Financing is provided by a portion of the City's ad valorem taxes constituting its tax increment.

Tax Increment Reinvestment Zone No. 2 – to account for activities within the zone that was established by ordinance in 2013. Financing is provided by a portion of the City's ad valorem taxes and sales taxes constituting its tax increment.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other City departments or to other governmental units on a cost-reimbursement basis.

Employee Benefits Fund – to account for activities related to the health, dental, and life insurance costs of City employees and their beneficiaries.

Vehicle & Equipment Services Fund – to account for maintenance and replacement costs of City-owned vehicles and heavy equipment.

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Nonmajor Governmental Funds-Special Revenue Funds
Combining Balance Sheet
September 30, 2019

	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital	Restricted Grant
ASSETS					
Taxes receivable	$ 115,318	-	-	-	-
Other receivable	-	-	-	12,215	393,548
Cash and investments - restricted	2,018,185	45,124	382,196	2,221	1,146,237
Notes receivable	-	-	-	-	41,080
Prepaid expenditures	22,175	-	-	-	167
Total assets	2,155,678	45,124	382,196	14,436	1,581,032
LIABILITIES					
Accounts payable	50,738	-	2,985	2,221	13,427
Other liabilities	-	-	-	12,215	-
Total liabilities	50,738	-	2,985	14,436	13,427
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues notes receivable	-	-	-	-	41,080
FUND BALANCES					
Nonspendable:					
Prepaid items	22,175	-	-	-	167
Restricted					
Tourism	2,082,765	-	-	-	-
Cable equipment acquisition	-	-	-	-	-
Economic development and other purposes	-	45,124	-	-	1,526,358
Public safety	-	-	379,211	-	-
Total fund balances	2,104,940	45,124	379,211	-	1,526,525
Total liabilities, deferred inflows of resources, and fund balances	$ 2,155,678	45,124	382,196	14,436	1,581,032

	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Totals
ASSETS				
Taxes receivable	$ -	-	-	115,318
Other receivable	-	-	-	405,763
Cash and investments - restricted	219,451	659,400	474	4,473,288
Note receivable	-	-	-	41,080
Prepaid expenditures	-	-	-	22,342
Total assets	219,451	659,400	474	5,057,791
LIABILITIES				
Accounts payable	206	-	-	69,577
Other liabilities	-	-	-	12,215
Total liabilities	206	-	-	81,792
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues notes receivable	-	-	-	41,080
FUND BALANCES				
Nonspendable:				
Prepaid items	-	-	-	22,342
Restricted				
Tourism	-	-	-	2,082,765
Cable equipment acquisition	219,245	-	-	219,245
Economic development and other purposes	-	659,400	474	2,231,356
Public safety	-	-	-	379,211
Total fund balances	219,245	659,400	474	4,934,919
Total liabilities, deferred inflows of resources, and fund balances	$ 219,451	659,400	474	5,057,791

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

	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital	Restricted Grant
REVENUES					
Taxes	953,911	-	-	-	-
Fines and forfeitures	-	-	-	-	57,929
Contributions	-	-	6,970	-	704,741
Interest earnings	48,387	1,115	6,825	-	32,649
Other	-	-	262,594	-	276,480
Total revenues	1,002,298	1,115	276,389	-	1,071,799
EXPENDITURES					
Current:					
General government	-	-	-	-	66,935
Public safety	-	-	39,270	-	207,102
Cultural and recreational	-	-	-	-	94,816
Streets and lighting	-	-	-	-	-
Economic development	727,777	-	-	-	-
Capital outlay	-	-	59,206	-	124,983
Total expenditures	727,777	-	98,476	-	493,836
Excess Of Revenues Over Expenditures	274,521	1,115	177,913	-	577,963
OTHER FINANCING SOURCES (USES)					
Sale of general capital assets	-	-	18,455	-	-
Transfers in	-	-	60,335	-	131,814
Transfers out	(131,814)	-	(60,335)	-	(550,000)
Total other financing sources (uses)	(131,814)	-	18,455	-	(418,186)
Net Change In Fund Balances	142,707	1,115	196,368	-	159,777
Fund Balances, Beginning	1,962,233	44,009	182,843	-	1,366,748
Fund Balances, Ending	$ 2,104,940	45,124	379,211	-	1,526,525

	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Total
REVENUES				
Taxes	$ 88,095	756,652	-	1,798,658
Fines and forfeitures	-	-	-	57,929
Contributions	-	-	-	711,711
Interest earnings	6,220	22,008	12	117,216
Other	-	-	-	539,074
Total revenues	94,315	778,660	12	3,224,588
EXPENDITURES				
Current:				
General government	86,651	-	-	153,586
Public safety	-	-	-	246,372
Cultural and recreational	-	-	-	94,816
Streets and lighting	-	-	-	-
Economic development	-	737,424	-	1,465,201
Capital outlay	72,039	-	-	256,228
Total expenditures	158,690	737,424	-	2,216,203
Excess Of Revenues Over Expenditures	(64,375)	41,236	12	1,008,385
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	-	-	-	18,455
Transfers in	-	-	-	192,149
Transfers out	-	-	-	(742,149)
Total other financing sources (uses)	-	-	-	(531,545)
Net Change In Fund Balances	(64,375)	41,236	12	476,840
Fund Balances, Beginning	283,620	618,164	462	4,458,079
Fund Balances, Ending	$ 219,245	659,400	474	4,934,919

Debt Service Fund **City of Cedar Park, Texas**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended September 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance (1) Positive (Negative)
REVENUES				
Property taxes - current	$ 19,598,176	19,598,176	20,069,160	470,984
Property taxes - delinquent	134,968	134,968	25,111	(109,857)
Taxes and penalties	19,733,144	19,733,144	20,094,271	361,127
Interest earnings	195,000	195,000	371,718	176,718
Other income	4,279,728	4,279,728	5,505,679	1,225,951
Total revenues	24,207,872	24,207,872	25,971,668	1,763,796
EXPENDITURES				
Debt service:				
Principal	14,030,000	14,030,000	14,030,000	-
Interest expense	8,088,415	8,088,415	8,056,181	32,234
Arbitrage compliance	34,000	34,000	16,922	17,078
Interest and fiscal charges	8,122,415	8,122,415	8,073,103	49,312
Payment to bond escrow agent from current resources	2,448,844	2,448,844	2,398,803	50,041
Bond issue costs	150,000	150,000	300	149,700
Total expenditures	24,751,259	24,751,259	24,502,206	249,053
Excess Of Revenues Over Expenditures	(543,387)	(543,387)	1,469,462	2,012,849
Net Change In Fund Balance	(543,387)	(543,387)	1,469,462	2,012,849
Fund Balance, Beginning	9,326,229	9,326,229	9,326,229	-
Fund Balance, Ending	$ 8,782,842	8,782,842	10,795,691	2,012,849

(1) Variance is actual to final budget.

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Internal Service Funds **City of Cedar Park, Texas**

Combining Statement of Net Position

September 30, 2019

	Employee Benefits	Vehicle & Equipment Services	Total
ASSETS			
Current assets:			
Cash and investments	$ 1,238,088	8,069,112	9,307,200
Other receivables	8,687	-	8,687
Total current assets	1,246,775	8,069,112	9,315,887
Noncurrent assets:			
Capital assets:			
Nondepreciable	-	4,266	4,266
Depreciable, net	-	6,755,937	6,755,937
Total capital assets	-	6,760,203	6,760,203
Total assets	1,246,775	14,829,315	16,076,090
LIABILITIES			
Current liabilities:			
Accounts payable	76,766	160,520	237,286
Total current liabilities	76,766	160,520	237,286
Total liabilities	76,766	160,520	237,286
Net investment in capital assets	-	6,760,203	6,760,203
Unrestricted	1,170,009	7,908,592	9,078,601
Total net position	$ 1,170,009	14,668,795	15,838,804

Internal Service Funds **City of Cedar Park, Texas**

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended September 30, 2019

	Employee Benefits	Vehicle & Equipment Services	Total
OPERATING REVENUES			
Charges for services	3,595,801	3,672,824	7,268,625
Total operating revenues	3,595,801	3,672,824	7,268,625
OPERATING EXPENSES			
Insurance benefit premiums	3,438,929	-	3,438,929
Distribution services and charges	85,000	-	85,000
Maintenance and repair	-	-	-
Supplies and materials	-	225,589	225,589
Depreciation	-	2,297,653	2,297,653
Total operating expenses	3,523,929	2,523,242	6,047,171
OPERATING INCOME (LOSS)	71,872	1,149,582	1,221,454
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenue	27,910	176,833	204,743
Gain on disposal of capital assets	-	188,312	188,312
Total nonoperating revenues (expenses)	27,910	365,145	393,055
CHANGE IN NET POSITION	99,782	1,514,727	1,614,509
Total net position, beginning	1,070,227	13,154,068	14,224,295
Total net position, ending	1,170,009	14,668,795	15,838,804

Internal Service Funds **City of Cedar Park, Texas**
Combining Statement of Cash Flows
For the Year Ended September 30, 2019

	Employee Benefits	Vehicle & Equipment Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 3,595,801	3,672,824	7,268,625
Cash paid to suppliers for goods and services	(64,703)	(125,416)	(190,119)
Cash paid for insurance benefit premiums	(3,438,929)	-	(3,438,929)
Net cash provided (used) by operating activities	92,169	3,547,408	3,639,577
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from nonoperating activities	30	195,889	195,919
Acquisition of capital assets	-	(2,230,825)	(2,230,825)
Net cash (used) for capital and related financing activities	30	(2,034,936)	(2,034,906)
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	27,880	176,833	204,713
Net cash provided by investing activities	27,880	176,833	204,713
Net increase (decrease) in cash and cash equivalents	120,079	1,689,305	1,809,384
Cash and cash equivalents, October 1	1,118,009	6,379,807	7,497,816
Cash and cash equivalents, September 30	$ 1,238,088	8,069,112	9,307,200
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 71,872	1,149,582	1,221,454
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	2,297,653	2,297,653
Increase (decrease) in liabilities:			
Accounts payable	25,097	100,173	125,270
Accounts receivable	(4,800)	-	(4,800)
Net cash provided by operating activities	$ 92,169	3,547,408	3,639,577

CEDAR PARK

STATISTICAL SECTION
(Unaudited)

CITY OF CEDAR PARK, TEXAS

STATISTICAL SECTION
(Unaudited)

This part of the City of Cedar Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents:

Financial Trends
These schedules contain information to assist the reader in obtaining a better understanding of how the City's financial performance and well-being have changed over time.

Revenue Capacity
These schedules contain information to assist the reader in obtaining a better understanding of the City's significant revenue source, the property tax.

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting basic financial information include information beginning in that year.

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Net Position by Component
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Cedar Park, Texas
Table I

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	$	$	$	$	$	$	$	$	$	$
Governmental activities										
Net investment in capital assets	255,605	229,635	195,201	161,055	145,800	164,866	154,520	136,368	142,762	125,090
Restricted	25,463	34,763	33,482	30,660	33,803	21,333	11,372	10,656	5,961	8,169
Unrestricted	(10,337)	(5,489)	(3,315)	7,012	9,793	7,432	12,931	18,273	17,338	18,492
Total governmental activities net position	270,731	258,909	225,368	198,727	189,396	193,631	178,823	165,297	166,061	151,751
Business-type activities										
Net investment in capital assets	191,795	189,620	182,796	175,479	173,954	154,336	145,121	133,655	111,952	108,617
Restricted	36,664	35,556	38,463	36,351	18,613	18,658	16,193	14,811	13,449	12,967
Unrestricted	27,427	25,375	20,641	21,448	32,496	27,034	29,234	34,494	38,443	31,903
Total business-type activities net position	255,887	250,551	241,900	233,278	225,063	200,028	190,548	182,960	163,844	153,487
Primary government										
Net investment in capital assets	447,400	419,255	377,997	336,534	319,754	319,202	299,641	270,023	254,714	233,707
Restricted	62,127	70,319	71,945	67,011	52,416	39,991	27,565	25,467	19,410	21,136
Unrestricted	17,090	19,886	17,326	28,460	42,289	34,466	42,165	52,767	55,781	50,395
Total primary government net position	526,618	509,460	467,268	432,005	414,459	393,659	369,371	348,257	329,905	305,238

Changes in Net Position
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Cedar Park, Texas
Table II

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)
	$	$	$	$	$	$	$	$	$	$
Expenses										
Governmental activities										
General government	19,759	18,399	19,934	22,822	17,986	16,663	15,616	12,955	13,262	11,618
Public safety	32,740	30,434	25,806	23,838	21,736	19,105	18,278	16,463	15,759	14,996
Culture and recreation	7,421	6,795	6,136	6,008	5,592	5,029	4,773	4,732	4,670	4,136
Streets and lighting	7,860	6,973	8,257	4,949	6,760	5,769	3,439	4,805	4,554	4,066
Economic development	4,032	3,669	-	-	-	-	-	-	-	-
Interest on long-term debt	6,724	3,081	7,406	6,985	6,324	6,353	6,792	6,987	6,983	7,212
Total governmental activities	78,536	69,350	67,539	64,602	58,398	52,919	48,898	45,942	45,228	42,028
Business-type activities										
Water and sewer	27,632	25,972	26,321	27,120	24,304	23,413	24,623	21,774	23,744	21,456
Solid waste	4,126	3,947	3,678	3,629	3,687	3,602	3,436	3,188	2,746	2,411
Total business-type activities	31,758	29,919	29,999	30,749	27,991	27,015	28,059	24,962	26,490	23,867
Total primary government expenses	110,294	99,269	97,538	95,351	86,389	79,934	76,957	70,904	71,718	65,895
Program Revenues										
Governmental activities										
Charges for services										
General government	1,584	1,463	1,038	3,178	2,444	2,428	2,458	2,253	1,371	1,298
Public safety	3,546	4,177	4,303	2,770	2,506	2,949	2,737	2,556	2,932	2,650
Culture and recreation	1,442	1,489	1,536	1,437	1,439	1,356	1,318	1,215	1,129	1,023
Operating grants and contributions	3,186	3,853	3,855	3,600	3,561	3,573	3,640	3,604	734	997
Capital grants and contributions	5,689	23,321	21,350	6,759	11,211	11,849	9,956	8,201	18,250	13,708
Total governmental activities	15,448	34,303	32,082	17,744	21,161	22,155	20,109	17,829	24,416	19,676
Business-type activities										
Charges for services										
Water and sewer	31,911	32,803	31,940	30,093	29,968	28,216	28,197	29,055	31,038	25,297
Solid waste	4,040	3,966	3,702	3,649	3,810	3,623	3,339	3,111	2,773	2,463
Capital grants and contributions	4,238	6,058	5,595	7,906	5,326	7,579	7,610	4,905	5,701	3,438
Total business-type activities	40,189	42,826	41,237	41,648	39,104	39,418	39,146	37,071	39,512	31,198
Total primary government program revenues	55,637	77,129	73,319	59,392	60,265	61,573	59,255	54,900	63,928	50,874
Net (expense)/revenue										
Governmental activities	(63,088)	(35,047)	(35,457)	(46,858)	(37,237)	(30,764)	(28,789)	(28,113)	(20,812)	(22,352)
Business-type activities	8,430	12,907	11,238	10,899	11,113	12,403	11,087	12,109	13,022	7,331
Total primary government net revenue (expense)	(54,657)	(22,140)	(24,219)	(35,959)	(26,124)	(18,361)	(17,702)	(16,004)	(7,790)	(15,021)

Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual basis of accounting)

City of Cedar Park, Texas
Table II

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)
	$	$	$	$	$	$	$	$	$	$
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	42,483	40,112	37,656	34,801	31,030	25,839	23,802	21,222	20,103	20,036
Sales taxes	16,644	14,492	13,239	11,948	11,187	10,165	8,699	7,884	7,003	6,538
Franchise fees	3,631	3,906	4,001	4,447	4,453	4,252	3,940	3,843	3,637	3,249
Other taxes	1,324	1,111	1,092	945	846	721	643	504	481	351
Interest and other	5,979	5,437	2,839	1,033	1,649	1,478	1,953	1,104	922	880
Transfers	4,849	5,005	3,269	3,015	(14,164)	3,117	3,277	(6,941)	2,976	3,733
Special item	-	-	-	-	1,546	-	-	-	-	-
Total governmental activities	74,910	70,061	62,096	56,189	36,547	45,572	42,314	27,616	35,122	34,787
Business-type activities										
Interest and other	1,754	854	653	330	346	195	(222)	562	310	(209)
Transfers	(4,849)	(5,005)	(3,269)	(3,015)	14,164	(3,117)	(3,277)	6,941	(2,976)	(3,733)
Total business-type activities	(3,095)	(4,151)	(2,616)	(2,685)	14,510	(2,922)	(3,499)	7,503	(2,666)	(3,942)
Total primary government	71,815	65,911	59,480	53,504	51,057	42,650	38,815	35,119	32,456	30,845
Changes in Net Position										
Governmental activities	11,822	35,014	26,639	9,331	(690)	14,808	13,525	(497)	14,310	12,435
Business-type activities	5,336	8,757	8,622	8,214	25,623	9,481	7,588	19,612	10,356	3,389
Total primary government	17,158	43,771	35,261	17,545	24,933	24,289	21,113	19,115	24,666	15,824

(1) Beginning in fiscal year 2010, solid waste activities are reported as a separate activity. Prior to 2010, these activities were combined with water and sewer activities.

Sales Tax by Category
Last Ten Fiscal Years (In thousands)

City of Cedar Park, Texas
Table III

	2019 (1)	2018	2017	2016	2015	2014	2013	2012	2011	2010
	$	$	$	$	$	$	$	$	$	$
Agriculture, forestry, fishing	58	45	55	54	47	38	29	8	7	3
Construction	847	782	414	328	287	265	207	204	179	137
Finance, insurance, real estate	167	126	106	92	83	88	30	79	58	52
Manufacturing	920	730	619	539	504	654	276	117	100	80
Other	867	645	599	560	415	352	142	362	263	191
Retail trade	7,829	7,027	6,682	6,068	5,665	5,118	5,164	4,485	4,043	2,981
Services	3,175	2,644	2,526	2,239	2,191	1,753	2,377	2,156	2,002	1,446
Transportation, communications, utilities	2,014	1,619	1,707	1,617	1,557	1,430	19	3	4	5
Wholesale trade	497	398	371	301	308	307	340	299	219	181
Arts, entertainment, recreation	271	175	160	149	128	159	115	170	127	108
Total	16,645	14,191	13,239	11,947	11,185	10,164	8,699	7,883	7,002	5,184
City sales tax rate (primary government)	1.125%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	2.000%	2.000%	2.000%

(1) Beginning in fiscal year 2019, primary government sales tax revenues include 0.125% for drainage. Economic Development revenues (not shown) decreased 0.125%.

Fund Balances, Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Cedar Park, Texas
Table IV

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	$	$	$	$	$	$	$	$	$	$
General fund										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,999
Nonspendable	120	23	40	41	24	24	32	30	26	N/A
Restricted	-	-	-	-	-	-	-	1,334	-	N/A
Committed	246	256	142	101	329	-	-	-	-	N/A
Assigned	155	155	155	155	155	1,047	1,202	-	-	N/A
Unassigned	24,746	21,721	20,610	21,380	18,846	16,954	14,432	13,615	11,935	N/A
Total general fund	25,266	22,155	20,947	21,677	19,354	18,025	15,666	14,979	11,961	17,023
All other governmental funds										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,194
Unreserved, reported in:										
Special revenue funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,585
Capital projects funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,395
Nonspendable	22	-	-	-	-	-	1	12	-	N/A
Restricted	75,323	84,140	72,958	66,782	41,587	31,967	22,007	24,097	17,724	N/A
Committed	-	-	142	-	29,719	-	-	-	540	N/A
Assigned	-	-	-	-	-	-	-	-	4,954	N/A
Unassigned	-	-	-	-	-	-	(1)	-	N/A	N/A
Total all other governmental funds	75,345	84,140	72,958	66,782	71,306	31,967	22,007	24,109	-	28,174
Total all governmental funds	100,612	106,295	93,905	88,459	90,660	49,992	37,673	39,088	11,961	45,197

Note: The City implemented GASB Statement No. 54, which changed the reporting requirements for fund balances, in fiscal year 2011.

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Cedar Park, Texas
Table V

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	$	$	$	$	$	$	$	$	$	$
REVENUES										
Taxes	63,985	59,605	56,088	52,112	47,540	40,933	37,112	33,445	31,342	30,132
Permits, licenses and fees	1,293	1,863	1,776	2,234	1,849	1,826	1,913	1,739	1,346	1,273
Fines and forfeitures	608	656	733	788	720	1,209	933	963	976	677
Charges for services	4,672	4,610	4,369	4,092	3,821	3,697	3,666	3,323	3,436	3,350
Intergovernmental	3,320	3,512	3,455	216	1,428	2,885	403	4,768	5,473	852
Interest earnings	2,850	1,307	912	233	378	172	129	178	148	235
Contributions	5,404	16,756	17,009	5,861	6,304	6,357	4,880	4,730	4,487	7,988
Other	4,941	3,722	1,405	1,077	1,286	1,916	1,835	800	837	537
Total revenues	87,072	92,030	85,747	66,613	63,326	58,995	50,871	49,946	48,045	45,044
EXPENDITURES										
General government	12,370	11,105	11,063	10,486	11,066	8,619	8,047	7,236	6,827	6,944
Public safety	28,490	27,316	24,965	23,043	21,498	19,793	18,388	16,834	15,383	14,795
Culture and recreation	6,143	5,668	5,289	5,170	5,117	4,379	4,061	3,878	3,715	3,459
Streets and lighting	4,207	3,952	6,039	3,099	2,874	2,567	2,597	2,110	1,996	1,859
Economic development	3,993	3,669	1,310	1,145	948	859	901	753	1,709	351
Capital outlay	17,817	55,480	16,797	13,549	10,629	20,115	7,044	17,153	18,600	11,654
Debt service:										
Principal	14,185	12,905	13,060	11,360	9,950	8,445	7,300	7,575	5,610	5,573
Payment to bond escrow - current	2,399	3,057	1,455	5,130						
Interest and fiscal charges	8,073	6,960	7,317	6,985	6,303	6,258	6,863	7,253	7,068	7,156
Bond issuance costs	1	496	63	-	754	468	198	-	-	-
Total expenditures	97,678	130,607	87,358	79,967	69,139	71,503	55,399	62,792	60,908	51,791
Deficiency of revenues over expenditures	(10,606)	(38,577)	(1,611)	(13,354)	(12,846)	(12,863)	(12,863)	(6,747)	(46,745)	(27,782)
Other financing sources (uses)										
Issuance of debt	-	40,745	1,735	42,775	73,670	29,865	15,865	25,195	(65)	13,345
Bond premiums (discounts)	-	5,110	9	6,171	5,042	820	-	3,942	(23)	102
Payment to bond escrow agent	-	-	-	(10,673)	(67,893)	(8,974)	(15,667)	(26,616)	3,929	(1,362)
Bond issuance costs	-	-	-	(444)	-	-	-	-	-	-
Sale of general capital assets	75	106	88	-	-	-	-	-	-	-
Transfers in	6,374	20,000	41,462	13,746	21,847	23,259	7,801	14,388	16,195	9,524
Transfers out	(1,525)	(14,995)	(36,239)	(10,731)	(19,089)	(20,142)	(4,886)	(9,922)	(13,219)	(6,991)
Other	-	-	-	-	3,213	-	-	1,589	-	-
Total other financing sources	4,924	50,967	7,055	40,844	16,790	24,828	3,113	8,576	6,817	14,618
Net change in fund balances	(5,682)	12,390	5,444	27,490	3,944	11,965	(9,750)	1,829	(39,928)	(13,164)
Debt service as a percentage of noncapital expenditures	27.87%	17.46%	27.62%	27.78%	28.61%	25.41%	29.97%	29.97%	31.71%	32.16%

Assessed and Estimated Actual Value of Taxable Property **City of Cedar Park, Texas**
Last Ten Fiscal Years **Table VI**

Fiscal Year	Real Property Assessed Value	Real Property Estimated Actual Value	Personal Property Assessed Value	Personal Property Estimated Actual Value	Total Assessed Value (1)	Total Estimated Actual Value	Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value
	$	$	$	$	$	$	$	
2010	3,748,717,862	3,684,982,934	314,529,746	314,529,746	4,063,247,608	4,063,247,608	0.489001	100%
2011	3,967,805,242	3,710,745,479	277,609,702	277,609,702	4,245,414,944	4,245,414,944	0.493501	100%
2012	4,139,882,394	3,904,593,732	295,446,592	295,446,592	4,435,328,986	4,435,328,986	0.493501	100%
2013	4,431,117,106	4,382,163,626	324,906,758	324,906,758	4,756,023,864	4,756,023,864	0.493501	100%
2014	4,557,237,308	4,752,830,024	346,454,226	346,454,226	4,903,691,534	4,903,691,534	0.492500	100%
2015	4,658,071,476	5,591,478,822	392,935,063	392,935,063	5,051,006,539	5,051,006,539	0.485000	100%
2016	6,671,486,982	6,251,352,852	445,703,847	445,703,847	7,117,190,829	7,117,190,829	0.479500	100%
2017	7,159,666,608	7,159,666,608	469,082,444	469,082,444	7,628,749,052	7,628,749,052	0.470000	100%
2018	8,340,498,840	8,340,498,840	431,419,512	431,419,512	8,771,918,352	8,771,918,352	0.449000	100%
2019	9,701,880,253	9,701,880,253	553,994,369	553,994,369	10,255,874,622	10,255,874,622	0.449000	100%

Source: Williamson Central Appraisal District
Travis Central Appraisal District

(1) Excludes over-65 property value freeze and values in the designated TIRZ

Property Tax Rates – Direct and Overlapping Governments **City of Cedar Park, Texas**
Last Ten Fiscal Years **Table VII**

Fiscal Year	City of Cedar Park General Fund	City of Cedar Park Debt Service Fund	City of Cedar Park Total City	Leander Independent School District	Round Rock Independent School District	Travis County	Williamson County
	$	$	$	$	$	$	$
2010	0.248783	0.240218	0.489001	1.4223	1.3800	0.4122	0.4900
2011	0.251408	0.242093	0.493501	1.4548	1.3800	0.4658	0.4900
2012	0.261739	0.231762	0.493501	1.4998	1.3350	0.4855	0.4877
2013	0.258464	0.235037	0.493501	1.5119	1.3800	0.5001	0.4890
2014	0.252839	0.239661	0.492500	1.5119	1.3674	0.6236	0.4890
2015	0.242250	0.242750	0.485000	1.5119	1.3643	0.6036	0.4890
2016	0.236750	0.242750	0.479500	1.5119	1.3325	0.5347	0.4815
2017	0.231250	0.238750	0.470000	1.5119	1.3325	0.4943	0.4365
2018	0.233450	0.224050	0.457500	1.5119	1.3048	0.4764	0.4265
2019	0.232600	0.216400	0.449000	1.5100	1.3048	0.4594	0.4190

Source: Tax office of the respective entities

*Note: Tax rates are set as an amount per $100 assessed value.
The boundaries of the City of Cedar Park fall within two Counties and two School Districts.
Property taxes are assessed according to each taxing authority's jurisdiction.

Principal Property Taxpayers
Current year and Nine Years Ago

City of Cedar Park, Texas
Table VIII

Name of Taxpayer	Type of Property	2018 Taxable Value	2018 Rank	2018 Percentage of Total Taxable Value	2009 Taxable Value	2009 Rank	2009 Percentage of Total Taxable Value
		$		%	$		%
BRE RC 1890 Ranch TX LP	Commercial	98,984,324	1	0.97			
Cedar Park Health Systems LP	Medical	86,032,807	2	0.84			
MUIR Lake LTD	Real estate	54,083,279	3	0.53			
Allure Acquisition LLC	Real estate	44,256,648	4	0.43			
CP New Hope LTD	Commercial	44,158,071	5	0.43			
Northland Lakeline II LLC	Real estate	42,871,891	6	0.42			
RPAI Cedar Park Town Center LLC	Commercial	38,700,795	7	0.38			
WMCi Austin I LLC	Real estate	38,385,276	8	0.37			
Mid-America Apartments LP	Real estate	37,769,418	9	0.37			
UDR Red Stone Ranch LLC	Real estate	37,538,273	10	0.37			
Cedar Park Health System	Medical				86,979,442	1	2.05
1890 Ranch LTD	Commercial				34,749,227	2	0.82
Northland Lakeline LP	Real estate				28,204,176	3	0.66
Ranger Excavating	Industrial				27,510,256	4	0.65
AMFP Altea LLC	Real estate				27,123,183	5	0.64
MidAmerica Apartments of Texas L.P.	Real estate				26,285,881	6	0.62
Cedar Park Regional Medical Center	Medical				24,719,407	7	0.58
Colonial Realty L.P.	Real estate				24,400,000	8	0.57
Whitestone Market Inc.	Retail				23,418,880	9	0.55
G&E Apartment Reir Arboleda LLC	Real estate				23,266,910	10	0.55
	Subtotal	522,780,782		5.11	326,657,362		769.00%
All Other		9,733,093,840		94.89	3,918,757,582		92.30
	Total	10,255,874,622		100.00	4,245,414,944		99.99

Source: Williamson Central Appraisal District

Property Tax Levies and Collections **City of Cedar Park, Texas**
Last Ten Fiscal Years **Table IX**

Fiscal Year	Total Tax Levy (1)	Collected Within the Fiscal Year of the Levy: Current Tax Collections	Collected Within the Fiscal Year of the Levy: Percentage of Levy Collected	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
	$	$		$	$	
2011	19,953,506	19,803,078	99.00%	156,712	19,943,950	99.904%
2012	21,874,620	21,772,469	99.23%	127,043	21,792,575	99.891%
2013	23,388,661	23,304,583	99.52%	61,900	23,339,633	99.883%
2014	25,371,231	25,285,881	99.86%	49,458	24,129,723	99.860%
2015	31,239,785	31,135,198	99.65%	50,682	29,793,188	99.654%
2016	34,556,044	34,495,678	99.78%	71,505	32,068,184	99.777%
2017	37,486,948	37,448,767	99.82%	34,466	37,419,005	99.862%
2018	39,890,554	39,761,771	99.68%	15,901	39,799,815	99.773%
2019	38,591,712	38,540,762	99.87%	N/A	38,540,762	99.868%

Source: Williamson County Tax Assessor
Travis County Tax Office

(1) Levy includes anticipated collection from taxable value plus levy from eligible frozen properties.

Ratios of Outstanding Debt by Type **City of Cedar Park, Texas**
Last Ten Fiscal Years **Table X**

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligations	Economic Development Bonds (1)	Deferred Charges	Capital Lease Payable	State Comptroller Note	Total Governmental Activities
	$	$	$	$	$	$	$
2010	97,900,000	5,130,000	42,655,000	765,659	61,329	43,105	146,555,093
2011	99,325,000	2,765,000	41,670,000	833,637	31,342	29,926	144,654,905
2012	108,110,000	1,955,000	40,640,000	4,889,408	-	1,350,313	156,944,721
2013	103,245,000	1,680,000	39,565,000	3,975,134	-	1,204,158	149,669,292
2014	105,940,000	13,015,000	38,440,000	4,526,799	-	1,046,964	162,968,763
2015	111,820,000	24,985,000	42,755,000	8,893,376	-	892,183	189,345,559
2016	135,465,000	19,690,000	40,975,000	14,551,402	-	737,402	211,418,804
2017	124,710,000	19,770,000	39,125,000	13,655,718	-	582,621	197,843,339
2018	148,940,000	22,525,000	37,200,000	14,008,496	-	427,840	223,101,336
2019	137,095,000	19,960,000	35,200,000	11,805,625	-	273,058	204,333,683

	Business-Type Activities			
Fiscal Year	General Obligation Bonds	Revenue Bonds	Deferred Charges	Total Business-type Activities
	$	$	$	$
2010	11,395,000	55,830,000	913,222	68,138,222
2011	5,660,000	57,855,000	897,006	64,412,006
2012	8,535,000	50,525,000	2,238,969	61,298,969
2013	7,095,000	48,480,000	1,706,089	57,281,089
2014	5,600,000	45,920,000	1,422,194	52,942,194
2015	5,360,000	43,995,000	10,513,084	98,503,084
2016	4,375,000	47,535,000	5,860,595	57,770,595
2017	3,525,000	42,880,000	5,309,572	51,714,572
2018	2,570,000	38,220,000	3,594,529	44,384,529
2019	1,545,000	33,460,000	2,904,755	37,909,755

Fiscal Year	Total Primary Government	Personal Income	Percentage of Personal Income	Population	Debt per Capita
	$	$			$
2009	146,555,093	1,924,716,495	7.61%	54,015	2,713
2010	144,654,905	1,561,324,840	9.26%	54,279	2,580
2011	156,944,721	2,325,288,345	6.75%	55,928	2,704
2012	206,950,381	2,325,288,345	8.90%	58,705	3,541
2013	215,910,957	2,586,242,556	8.35%	60,446	3,572
2014	287,848,643	2,586,242,556	11.13%	65,890	4,706
2015	269,189,399	2,674,061,651	10.07%	67,500	3,986
2016	269,189,399	3,022,582,790	8.91%	69,188	3,891
2017	267,485,865	3,171,496,827	7.87%	76,800	3,249
2018	267,485,865	3,621,828,023	7.39%	79,104	3,381
2019	242,243,438	3,856,279,877	6.28%	79,259	3,056

Source: Income per Capita - City of Cedar Park Economic Development Department
Personal income is the factor of population and income per capita.

Computation of Direct and Estimated Overlapping Bonded Debt **City of Cedar Park, Texas**
As of September 30, 2019 **Table XI**

Name of Governmental Unit	Net General Obligation Debt Outstanding as of September 30, 2019	Estimated Percent Applicable to the City of Cedar Park	City's Overlapping Tax Supported Debt
	$		$
Governmental Activities			
General obligation bonds	148,598,846		
Certificates of obligations	20,261,779		
Economic Development bonds	35,200,000		
Note Payable	273,058		
Total governmental activities debt	204,333,683	100.00%	204,333,683
Other Taxing Jurisdictions			
Austin Community College District	404,420,000	3.91%	15,812,822
Leander ISD	1,074,905,442	34.94%	375,571,961
Round Rock ISD	738,210,000	2.47%	18,233,787
Travis County	1,066,091,179	0.56%	5,970,111
Travis County Healthcare District	8,350,000	0.56%	46,760
Williamson County	801,709,942	13.01%	104,302,463
Williamson-Travis MUD #1	1,260,000	4.28%	53,928
Total other taxing jurisdictions	4,094,946,563		519,991,832
Total Direct and Overlapping Tax Supported Debt			724,325,515
Ratio of Direct and Overlapping Tax Supported Debt to Assessed Valuation (2)		8.26%	
Per Capita Overlapping Tax Supported Debt (3)			9,255

Source: Taxing jurisdictions, Williamson Central Appraisal District, Travis Central Appraisal District, and Municipal Advisory Council of Texas

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 City residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt 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) Excludes general obligation debt of $1,545,000 reported in proprietary funds which are not tax supported, but are supported by utility sysem revenues.
(2) Based on assessed valuation of $10,255,874,622 provided by the Williamson Central Appraisal District and Travis Central Appraisal District.
(3) Based on estimated population of 78,259.

Legal Debt Margin Information **City of Cedar Park, Texas**
Last Ten Fiscal Years **Table XII**

Fiscal Year	Assessed Taxable Value	Debt Limit (1)	Amount Expended for General Obligation Debt Service	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
	$	$	$	$	
2010	4,063,247,608	60,948,714	12,728,201	48,220,513	20.88%
2011	4,245,414,944	63,681,224	14,703,102	48,978,122	23.09%
2012	4,435,328,986	66,529,935	15,114,421	51,415,514	22.72%
2013	4,756,023,864	71,340,358	14,360,571	56,979,787	20.13%
2014	4,903,691,534	73,555,373	11,221,303	62,334,070	15.26%
2015	5,051,006,539	75,765,098	12,770,672	62,994,426	16.89%
2016	7,117,190,829	106,757,862	16,459,898	90,297,964	15.42%
2017	7,628,749,052	114,431,236	20,237,099	94,194,137	17.68%
2018	8,771,918,352	131,578,775	3,074,324	128,504,451	2.34%
2019	10,255,874,622	153,838,119	2,415,725	151,422,394	1.57%

Note: The City Charter limits general obligation debt of the City of Cedar Park to 10% of the net taxable value of property on the tax rolls of the City. The general obligation debt is further limited by the State of Texas. The State limit is established by Article VI, Section 5 of the Texas Constitution. Article XI, Section 5 limits the maximum ad valorem tax rate to $2.50 per $100 per assessed valuation (for all City purposes). Administratively, the Attorney General of the State of Texas will permit allocation of $1.50 of the maximum tax rate for general obligation debt service.

(1) Debt limit of $1.50 per $100 of assessed valuation as established by State Statute.

Ratios of General Bonded Debt Outstanding **City of Cedar Park, Texas**
Last Ten Fiscal Years **Table XIII**

	General Bonded Debt Outstanding								
Fiscal Year	General Obligation Bonds (1)	Certificates of Obligation	Less: Amounts available in Debt Service Fund (2)	Deferred Charges	Net General Bonded Debt	Population	Assessed Value	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
	$	$	$	$	$		$		$
2010	109,295,000	47,785,000	3,466,006	1,997,751	107,481,745	56,072	4,063,247,608	2.5%	1,809
2011	104,985,000	44,435,000	3,973,542	5,966,607	109,743,065	58,035	4,245,414,944	2.4%	1,722
2012	116,645,000	42,595,000	3,537,853	5,631,285	120,693,432	58,450	4,435,328,986	2.5%	1,906
2013	110,340,000	41,245,000	4,017,896	6,074,327	114,076,431	60,446	4,756,023,864	2.2%	1,735
2014	111,540,000	51,455,000	5,124,654	9,519,527	128,949,873	61,163	4,903,691,534	2.4%	1,935
2015	154,590,000	30,330,000	8,108,955	16,207,553	150,263,598	67,537	5,051,006,539	2.7%	2,037
2016	176,705,000	23,800,000	8,949,479	14,140,038	164,720,559	69,188	7,117,190,829	2.3%	2,323
2017	164,550,000	22,580,000	9,384,291	14,442,396	153,063,105	76,800	7,628,749,052	1.9%	1,881
2018	187,270,000	23,965,000	9,388,000	14,184,757	178,831,757	79,104	8,771,918,352	2.0%	2,261
2019	173,840,000	19,960,000	9,326,229	11,602,398	196,076,169	79,259	10,255,874,622	1.9%	2,474

Source: Population from Planning Department, City of Cedar Park, Texas
Assessed Valuation from Williamson Central Appraisal District
and Travis Central Appraisal District

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

(1) Includes Business-Type and Economic Development general obligation bonds

(2) The General Debt Service fund maintains a reserve that will typically be equivalent to an interest only debt service payment.

Authorized but Unissued General Obligation Bonds **City of Cedar Park, Texas**
As of September 30, 2019 **Table XIV**

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Authorization Being Used	Unissued Balance
Streets and Roads	11/13/2015	$ 63,000,000	52,695,000	-	10,305,000
Public Safety Facilities	11/13/2015	7,550,000	7,550,000	-	-
Library	11/13/2015	20,500,000	2,000,000	-	18,500,000
Parks and Recreation	11/13/2015	5,650,000	3,123,000	-	2,527,000
Total		$ 96,700,000	65,368,000	-	31,332,000

Schedule Of Revenue Bond Coverage
Last Ten Fiscal Years

City of Cedar Park, Texas
Table XV

	Water and Sewer Bonds									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Gross Revenue (1)										
Charges for services	$ 31,910,750	32,802,789	31,940,324	29,559,656	29,968,170	28,216,004	28,196,601	29,055,461	31,038,423	25,296,472
Interest and other	1,743,312	843,897	634,024	857,296	344,329	194,446	245,188	560,856	309,505	69,234
Total operating revenues:	33,654,062	33,646,686	32,574,348	30,416,952	30,312,499	28,410,450	28,441,789	29,616,317	31,347,928	25,365,706
Operatng Expense (2)										
Distribution services	10,077,130	9,876,448	10,306,519	10,955,874	10,112,472	9,908,259	10,751,560	8,075,804	9,156,193	8,219,770
Personnel services	6,637,272	6,176,657	5,502,201	5,614,160	4,590,308	4,511,377	4,247,102	4,002,905	3,857,683	3,621,446
Maintenance and repair	631,508	579,055	758,729	588,531	719,040	599,373	569,324	646,117	448,198	699,445
Supplies and materials	824,540	811,477	791,133	744,480	843,870	871,524	781,938	812,715	1,856,776	737,756
Total operating expenses	18,170,450	17,443,637	17,358,582	17,903,045	16,265,690	15,890,533	16,349,924	13,537,541	15,318,850	13,278,417
Net available for debt service	$ 15,483,612	16,203,049	15,215,766	12,513,907	14,046,809	12,519,917	12,091,865	16,078,776	16,029,078	12,087,289
Debt Service Requirement (P&I)	7,392,671	7,400,276	7,402,999	7,463,350	7,159,372	7,225,896	7,057,020	6,904,438	6,186,513	6,230,787
Revenue Bond Coverage	2.09	2.19	2.06	1.68	1.96	1.73	1.71	2.33	2.59	1.94
Metered Water Customers	22,571	22,676	22,748	22,007	21,841	21,459	21,005	20,275	19,612	18,981
Metered Sewer Customers	21,949	21,523	21,396	20,957	20,588	20,361	19,908	19,042	18,430	17,811

Average Annual Principal and Interest Requirements, 2020 - 2036	2,599,870
Coverage of Average Requirements by Fiscal 2019 Net Revenue	5.96 times
Estimated Maximum Principal and Interest Requirements,	7,462,267
Estimated Coverage of Maximum Requirements by 2019 Net Revenue	2.07 times

(1) Gross revenue includes operating revenue plus interest and other income.
(2) Operating expenses, excluding depreciation

Principal Employers
Current Year and Nine Years Ago

City of Cedar Park, Texas
Table XVI

	2018			2009	
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Leander ISD	900	1	2%	N/A	N/A
Cedar Park Regional Medical Center	600	2	2%	270	2%
CoreSlab Structures	335	3	1%	230	2%
National Oilwell Varco	275	4	1%	335	3%
ETS - Lindgren	275	5	1%	270	2%
BMC	220	6	1%	275	2%
Firefly Aerospace	150	7	0%	N/A	N/A
Revenue Cycle	120	8	0%	N/A	N/A
Innovative Funding Services	95	9	0%	N/A	N/A
Voltabox	90	10	0%	N/A	N/A

Source: Economic Development Department, City of Cedar Park

Demographic Statistics **City of Cedar Park, Texas**
Last Ten Fiscal Years **Table XVII**

Fiscal Year	Population	Personal Income	Income Per Capita	School Enrollment	Unemployment Rate
		$	$		
2010	56,072	2,118,007,656	37,773	30,321	5.7%
2011	58,035	2,325,288,345	40,067	32,034	6.4%
2012	58,450	2,427,194,700	41,526	34,122	5.6%
2013	60,446	2,586,242,556	42,786	34,381	4.8%
2014	61,163	2,674,061,651	43,720	36,192	3.8%
2015	67,537	3,022,582,790	44,754	37,042	3.0%
2016	69,188	3,171,496,827	45,839	37,158	3.0%
2017	76,800	3,621,828,023	47,159	38,226	3.1%
2018	79,104	3,856,279,877	48,749	39,028	3.1%
2019	79,259	3,955,964,898	49,912	40,031	2.8%

Sources: Unemployment Rate from Texas Workforce Commission
Population - City of Cedar Park Planning Department
Personal income is the factor of population and income per capita.
Income per Capita - City of Cedar Park Economic Development Department
School Enrollment from Population & Survey Analysts

Full-Time Equivalent Employees by Function | **City of Cedar Park, Texas**
Last Ten Fiscal Years | **Table XVIII**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Function										
Governmental Activities										
General Government										
City Manager	4	4	5	4	4	4	4	4	4	4
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	10	8	7	7	7	7	7	7	7	7
Information Technology	14	13	10.5	10	7	6	6	5	5	5
Human Resources	6	5	5	5	5	5	5	4	4	4
Public Information	5.5	5.5	4.5	3.5	2.5	2.5	2.5	2.5	2.5	2.5
Economic Development	2	2	2	2	2	2	2	2	3	2
Public Works/Engineering	12	11	11	8	8	8	8	8	9	8
Planning and Transportation	7	7	7	7	7	7	7	5	7	8
Maintenance	11	9	7	7	7	7	7	7	6	6
Legal Services	5	5	4	4	4	4	4	4	4	3
Public Safety										
Municipal Court	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Police	131	128	128	125	120	112	107	101	100	101
Animal Control	4	4	4	4	4	4	4	3	3	3
Building Inspection	13	13	12	12	12	12	11	10	11	11
Fire	89	87	82	77	72	70	70	72	71	74.0
Code Enforcement	5	4	3	3	3	3	3	3	3	-
Emergency Management	1	1	1	1	1	1	1	1	1	-
Cultural and Recreational										
Parks and Recreation	42.5	35	35	35	35	33	33.0	30.5	31.0	31
Library	20.5	20.5	19.5	19	19	18.25	18.25	17.75	17.75	17.75
Tourism	2	1.5	1.5	1.5	1.5	1.5	1.50	1.50	-	-
Streets and Lighting										
Streets	21	19	17	13	13	13	13	13	13	12
Signal and Light Maintenance	7	6	5	5	5	5	5	5	2	-
Total governmental employees	423	399	381.5	363.5	349.5	335.75	329.75	316.75	314.75	309.75
Business-type activities										
Water and Sewer	85.5	85.5	83.5	82.5	78	78	78	78	74	70
Total business-type employees	85.5	85.5	83.5	82.5	78	78	78	78	74	70
Total full-time equivalent employees	508.5	484.5	465	446	427.5	413.75	407.75	394.75	388.75	379.75

Source: Budget document of the City of Cedar Park

Operating Indicators by Function
Last Ten Fiscal Years

City of Cedar Park, Texas
Table XIX

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Ordinances/resolutions enrolled	192	222	220	233	226	248	219	256	246	251
Accounts payable payments issued	11,747	11,810	12,373	12,647	5,009	5,996	6,703	7,151	7,571	7,640
Technology assistance calls	7,154	5,885	5,622	4,391	4,141	3,568	3,162	1,038	3,780	2,500
Budgeted positions	508.50	484.50	465.00	446.00	425.75	427.50	413.75	407.75	393.75	388.25
Site development plans reviewed	33	51	46	42	46	51	48	28	23	21
Vehicles maintained	274	257	250	237	227	227	217	207	203	181
Public Safety										
Citations filed	5,113	5,704	6,054	6,276	6,426	8,718	12,470	13,635	13,788	10,112
Fire Department emergency calls	6,627	6,152	5,815	5,673	5,366	4,821	4,537	4,384	4,433	4,283
Cases filed	5,744	6,134	6,208	5,687	5,210	4,817	4,373	4,175	4,040	4,067
Residential building permits	3,850	3,504	4,103	4,249	4,499	648	618	678	626	611
Nonresidential building permits	1,349	1,394	1,397	1,196	1,082	124	102	103	122	90
Culture and Recreation										
Park acres maintained (1)	722	722	722	722	722	734	722	722	525	495
Recreation programs offered	60	60	57	60	59	54	54	45	40	40
Circulation of volumes	862,807	765,701	621,542	689,427	460,759	678,832	689,237	687,669	725,151	781,663
Catalogued items in library	162,908	148,716	121,806	121,122	120,248	120,313	120,302	116,419	112,859	108,354
Library visits	333,287	289,071	279,482	284,357	293,419	283,901	286,546	292,623	278,358	302,479
Streets										
Miles of paved streets (excluding ETJ)	291	291	291	291	291	281	281	281	261	222
Miles of drainage ways	172	172	172	172	172	172	172	172	172	172
Water and Sewer										
Treated gallons of water (in millions)	4,854	4,807	4,819	4,422	4,256	4,038	4,461	4,642	5,770	4,524
Gallons wastewater treated (in millions)-Cedar Park	874	876	850	806	808	798	806	803	801	803
Gallons wastewater treated (in millions)-Regional Plant	1,133	1,180	1,294	1,220	1,072	944	909	1,071	1,070	1,100
Retail water accounts	22,571	22,676	22,748	22,007	21,841	21,459	21,005	20,275	19,612	18,981
Retail wastewater accounts	21,949	21,523	21,396	20,957	20,588	20,361	19,908	19,042	18,430	17,811

Source: City of Cedar Park

Capital Asset Statistics by Function
Last Ten Fiscal Years

City of Cedar Park, Texas
Table XX

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Number of Police stations	1	1	1	1	1	1	1	1	1	1
Number of Fire stations	5	4	4	4	4	4	4	4	4	4
Streets										
Area in square miles	24.09	24.09	24.09	24.09	24.09	24.09	24.09	23.05	23.05	23.05
Paved streets in miles (excluding ETJ)	291	291	291	291	291	281	281	223	223	223
Culture and Recreation										
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Water										
Number of water treatment plants	2	2	2	2	2	2	2	1	1	1
Number of miles of water main	397	394	386	350	350	374	348	348	348	348
Number of booster pumps	14	14	14	14	14	14	14	14	14	14
Rated peak capacity (millions of gallons/day)	31	31	31	31	31	31	31	26	26	26
Wastewater										
Number of wastewater treatment plants	3	3	3	3	3	3	3	2	2	2
Number of miles of sewer main	331	329	305	292	287	294	292	285	285	285
Number of lift stations	19	19	18	18	18	18	18	18	18	18
Treatment capacity (millions of gallons/day)	7	7	6	6	6	6	6	6	6	6

Source: The City of Cedar Park

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