

VILLAGE OF THE HILLS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS



VILLAGE OF THE HILLS, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

	Page
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report · · · · ·	1
Management's Discussion and Analysis · · · · ·	5
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position · · · · ·	17
Statement of Activities · · · · ·	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds · · · · ·	22
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position · · · · ·	23
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds · · · · ·	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Governmental Funds to the	
Statement of Activities · · · · ·	25
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – General Fund · · · · ·	27
Statement of Net Position – Proprietary Funds · · · · ·	28
Statement of Revenues, Expenses, and Changes in Net	
Position – Proprietary Funds · · · · ·	29
Statement of Cash Flows – Proprietary Funds · · · · ·	31
Notes to the Financial Statements · · · · ·	35
<b>Required Supplementary Information:</b>	
Schedule of Changes in Net Pension Liability and Related Ratios · · · · ·	56
Schedule of Employer Contributions – Net Pension Liability · · · · ·	58
Notes to Schedule of Employer Contributions – Net Pension Liability · · · · ·	61
Schedule of Changes in OPEB Liability and Related Ratios · · · · ·	62
Schedule of Employer Contributions – Net OPEB SDBF Liability · · · · ·	64
Notes to Schedule of Employer Contributions – Net OPEB SDBF Liability · · · · ·	67
<b>Individual Fund Financial Statements and Schedules:</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual – Debt Service Fund · · · · ·	69
<b>Other Reporting:</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of Financial Statements Performed in	
Accordance with <i>Government Auditing Standards</i> · · · · ·	71
Schedule of Findings and Questioned Costs · · · · ·	75
Corrective Action Plan · · · · ·	79



## FINANCIAL SECTION

*THIS PAGE LEFT BLANK INTENTIONALLY*



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Village Council of  
Village of the Hills, Texas

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of Village of the Hills, Texas (the "Village"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Village of the Hills, Texas's basic financial statements as listed in the table of contents.

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, and each major fund information of the Village, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes to the financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



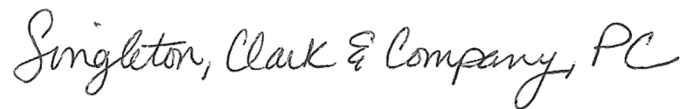
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and budget to actual comparison for the Debt Service F but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Singleton, Clark & Company, PC".

Singleton, Clark & Company, PC  
Cedar Park, Texas

March 22, 2024

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

### Management's Discussion and Analysis

The Management's Discussion and Analysis section of the Village of the Hills, Texas's (hereafter the "Village") Annual Financial Report offers readers this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2023. Please read it in conjunction with the independent auditor's report beginning on page 1 of this report and the Village's basic financial statements which follow this section.

### Financial Highlights

- The Village's net position for governmental activities increased by \$262,154 to end at \$2,567,424 primarily due to higher than anticipated revenue received during the year and the full-accrual effects of the District's repayment of principal on long term debt.
- The Village's fund balance in the General Fund increased by \$109,768 to end at \$748,537 largely due to actual revenue received for sales and franchise tax revenue and investment earnings exceeding originally budgeted amounts.
- As of September 30, 2023, fund balance in the Debt Service Fund decreased by \$4,060 to end at \$12,780. This decrease is due to payments exceeding property tax revenue.
- As of September 30, 2023, fund balance in the Capital Projects Fund increased by \$9,090 to end at \$447,753.
- As of September 30, 2023, the Solid Waste Fund had an increase in net position of \$14,528 to end at \$123,969.

### Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of three components: government-wide financial statements, fund financial statements, and the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements.

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

The *statement of net position* presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference between assets and liabilities 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 Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Both of the government-wide financial statements distinguish functions of the Village 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 Village include general government, public safety, and culture and recreation. The business-type activities of the Village include solid waste removal.

**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 Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds as applicable.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and the Debt Service Fund, which are considered to be major funds.

The Village adopts an annual appropriated budget for its General Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Debt Service Fund to demonstrate compliance with these budgets.

VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

***Proprietary Funds.*** The Village has the option of maintaining two different 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 Village uses an enterprise fund to account for its solid waste removal operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a city's functions. The Village is not currently utilizing an internal service fund. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste removal utility, which is considered to be a major fund of the Village. Conversely, when internal service funds are utilized, they are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are then provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Basis of Reporting.** The government-wide statements and the fund-level proprietary statements are reported using the full accrual basis of accounting. The governmental funds are reported using the modified accrual basis of accounting.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Village's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 56 of this report.

VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Government-wide Overall Financial Analysis**

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities by \$2,691,393 at the close of the most recent fiscal year.

**Condensed Statement of Net Position  
As of September 30**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 1,870,954	\$ 1,733,336	\$ 125,445	\$ 127,994	\$ 1,996,399	\$ 1,861,330
Capital assets	2,158,780	2,165,252	-	-	2,158,780	2,165,252
Total assets	4,029,734	3,898,588	125,445	127,994	4,155,179	4,026,582
Deferred outflows of resources	25,230	11,843	-	-	25,230	11,843
Current liabilities	643,499	625,262	1,476	18,553	644,975	643,815
Noncurrent liabilities	839,870	975,846	-	-	839,870	975,846
Total liabilities	1,483,369	1,601,108	1,476	18,553	1,484,845	1,619,661
Deferred inflows of resources	4,171	4,053	-	-	4,171	4,053
Net position:						
Net investment in capital assets						
assets	1,348,780	1,195,252	-	-	1,348,780	1,195,252
Restricted	462,997	456,861	-	-	462,997	456,861
Unrestricted	755,647	653,157	123,969	109,441	879,616	762,598
Total net position	\$ 2,567,424	\$ 2,305,270	\$ 123,969	\$ 109,441	\$ 2,691,393	\$ 2,414,711

By far, the largest portion of the Village's net position (50%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Village uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (17.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$879,616 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the Village is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The Village's overall net position increased by \$276,682 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$262,154 from the prior fiscal year for an ending balance of \$2,567,424. The increase in the overall net position of governmental activities is primarily due to an increase in property tax revenue received during the year.

**Condensed Statement of Activities  
For the Years Ended September 30**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for services	\$ 3,496	\$ 4,074	\$ 279,272	\$ 278,729	\$ 282,768	\$ 282,803
General Revenues:						
Property taxes	617,635	515,635	-	-	617,635	515,635
Other taxes	311,871	313,598	-	-	311,871	313,598
Grants and contributions not restricted to specific programs	122,796	117,443	-	-	122,796	117,443
Other	71,138	8,463	-	-	71,138	8,463
Total revenue	1,126,936	959,213	279,272	278,729	1,406,208	1,237,942
Expenses:						
General government	329,637	278,358	-	-	329,637	278,358
Public safety	110,321	103,228	-	-	110,321	103,228
Culture and recreation	415,786	195,808	-	-	415,786	195,808
Interest on long-term debt	9,038	12,769	-	-	9,038	12,769
Solid Waste	-	-	264,744	276,648	264,744	276,648
Total expenses	864,782	590,163	264,744	276,648	1,129,526	866,811
Increase (decrease) in net position	262,154	369,050	14,528	2,081	276,682	371,131
Net position - beginning	2,305,270	1,936,220	109,441	107,360	2,414,711	2,043,580
Net position - ending	\$ 2,567,424	\$ 2,305,270	\$ 123,969	\$ 109,441	\$ 2,691,393	\$ 2,414,711

**Business-type Activities.** For the Village of The Hills, Texas's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$123,969. The total increase in net position for business-type activities was \$14,528 or 11.72% from the prior fiscal year. This increase in net position is due to revenue from charges for services exceeding expenses incurred during the year.

VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Financial Analysis of Governmental Funds**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Village's Council.

At September 30, 2023, the Village's governmental funds reported combined fund balances of \$1,209,070, an increase of \$114,798 in comparison with the prior year. Approximately 62% of this amount, \$748,537, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form \$0; 2) legally required to be maintained intact \$0; 3) restricted for particular purposes \$460,533; 4) committed for particular purposes \$0; or 5) assigned for particular purposes \$0.

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the general fund was \$748,537, while total fund balance increased to \$748,537. 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 General Fund expenditures. Unassigned fund balance represents approximately 93% of total General Fund expenditures, while total fund balance represents approximately 93% of that same amount.

The fund balance of the Village's General Fund increased by \$109,768 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due to actual revenue received for sales and franchise tax revenue and investment earnings exceeding originally budgeted amounts.

The Debt Service Fund, the remaining major governmental fund, had a decrease in fund balance during the current year of \$4,060 to bring the year end fund balance to \$12,780. The overall decrease for the year is due to debt payments exceeding property tax revenue.

The Capital Projects Fund, a major fund, had a \$9,090 increase in fund balance during the current fiscal year which put the overall fund balance at \$447,753.

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

Unrestricted net position of the Solid Waste Fund at the end of the year was \$123,969. The total growth in net position was \$14,528. As noted earlier in the discussion of business-type activities, the increase for the Solid Waste Fund is due to revenue from charges for services exceeding expenses for the year.



VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**General Fund Budgetary Highlights**

**Original budget compared to final budget.** During the year there were no amendments to increase either the original estimated revenues or original budgeted appropriations.

**Capital Assets and Debt Administration**

**Capital assets.** The Village's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$2,158,780 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, and park facilities.

**Capital Assets, Net of Accumulated Depreciation**

	Governmental Activities 2023	Governmental Activities 2022	Change
Land	\$ 39,540	\$ 39,540	\$ -
Buildings	2,457,283	2,400,372	56,911
Furniture and equipment	292,638	292,638	-
Total	<u>2,789,461</u>	<u>2,732,550</u>	<u>56,911</u>
Less accumulated depreciation	<u>(630,681)</u>	<u>(567,298)</u>	<u>(63,383)</u>
Capital assets, net of depreciation	<u><u>\$ 2,158,780</u></u>	<u><u>\$ 2,165,252</u></u>	<u><u>\$ (6,472)</u></u>

Additional information on the Village's capital assets can be found in Note III.C on pages 42-43 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Village had total bonded debt outstanding of \$810,000. The remainder of the Village long-term obligations comprises pension-related debt.

**Outstanding Debt**

	Governmental Activities 2023	Governmental Activities 2022	Change
Notes payable	\$ 810,000	\$ 970,000	\$ (160,000)
Total	<u><u>\$ 810,000</u></u>	<u><u>\$ 970,000</u></u>	<u><u>\$ (160,000)</u></u>

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The Village's total debt decreased by \$160,000 during the current fiscal year. The reason for the decrease is attributable to the Village making its scheduled debt payments. Additional information on the Village's long-term debt can be found in Note III.G on pages 50-51 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The Village considered many factors when setting the fiscal year 2024 budget. The Village's General Fund budget for fiscal year 2024 includes expenditures of \$959,773 which is an increase of \$130,896 from fiscal year 2023 total adopted expenditures. The Village increased the tax rate for 2023-2024 to \$0.0750 for the General Fund and decreased the tax rate to \$0.0250 for the Interest and Sinking Fund. The overall total tax rate held consistent at \$0.1000 per \$100 valuation.

**Requests for Information**

This financial report is designed to provide a general overview of the Village's finances for all those interested in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Dean Huard, the Village Manager, at 102 Trophy Drive, The Hills, Texas 78738, or by calling (512) 261-6281.

*THIS PAGE LEFT BLANK INTENTIONALLY*

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 248,240	\$ 77,212	\$ 325,452
Investments - current	1,603,225	1,193	1,604,418
Taxes receivable - delinquent	21,654	-	21,654
Allowance for uncollectible taxes	(2,165)	-	(2,165)
Accounts receivable, net	-	47,040	47,040
Capital assets, not being depreciated:			
Land	39,540	-	39,540
Capital assets, being depreciated:			
Buildings and improvements	2,457,283	-	2,457,283
Machinery, equipment, and vehicles	292,638	-	292,638
Accumulated depreciation	(630,681)	-	(630,681)
Total assets	<u>4,029,734</u>	<u>125,445</u>	<u>4,155,179</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows NPL/OPEB	25,230	-	25,230
Total deferred outflows of resources	<u>25,230</u>	<u>-</u>	<u>25,230</u>
<b>LIABILITIES</b>			
Accounts payable	25,542	1,476	27,018
Accrued interest payable	1,104	-	1,104
Unearned revenue	616,853	-	616,853
Noncurrent liabilities:			
Due within one year	160,000	-	160,000
Due in more than one year	679,870	-	679,870
Total liabilities	<u>1,483,369</u>	<u>1,476</u>	<u>1,484,845</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources NPL/OPEB	4,171	-	4,171
Total deferred inflows of resources	<u>4,171</u>	<u>-</u>	<u>4,171</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,348,780	-	1,348,780
Restricted for capital projects	447,753	-	447,753
Restricted for debt service	15,244	-	15,244
Unrestricted	755,647	123,969	879,616
Total net position	<u>\$ 2,567,424</u>	<u>\$ 123,969</u>	<u>\$ 2,691,393</u>

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

VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs:	Expenses	Program Revenues Charges for Services
<b>Primary Government:</b>		
Governmental activities:		
General government	\$ 329,637	\$ 2,858
Public safety	110,321	-
Culture and recreation	415,786	638
Interest and bank fees	9,038	-
Total governmental activities:	<u>864,782</u>	<u>3,496</u>
Business-type activities:		
Solid Waste Fund	264,744	279,272
Total business-type activities:	<u>264,744</u>	<u>279,272</u>
Total primary government	<u>\$ 1,129,526</u>	<u>\$ 282,768</u>

General revenues:

Property taxes

Sales taxes

Franchise taxes

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - beginning

Net position - ending

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



Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activites	Total
\$ (326,779)	\$ -	\$ (326,779)
(110,321)	-	(110,321)
(415,148)	-	(415,148)
(9,038)	-	(9,038)
(861,286)	-	(861,286)
-	14,528	14,528
-	14,528	14,528
(861,286)	14,528	(846,758)
617,635	-	617,635
311,871	-	311,871
122,796	-	122,796
62,755	-	62,755
8,383	-	8,383
1,123,440	-	1,123,440
262,154	14,528	276,682
2,305,270	109,441	2,414,711
\$ 2,567,424	\$ 123,969	\$ 2,691,393

*THIS PAGE LEFT BLANK INTENTIONALLY*

## FUND BASIS FINANCIAL STATEMENTS

VILLAGE OF THE HILLS, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 12,780	\$ 235,460	\$ 248,240
Investments - current	1,390,932	-	212,293	1,603,225
Taxes receivable - delinquent	18,916	2,738	-	21,654
Allowance for uncollectible delinquent taxes	(1,891)	(274)	-	(2,165)
Total assets	<u>\$ 1,407,957</u>	<u>\$ 15,244</u>	<u>\$ 447,753</u>	<u>\$ 1,870,954</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 25,542	\$ -	\$ -	\$ 25,542
Unearned revenue	616,853	-	-	616,853
Total liabilities	<u>642,395</u>	<u>-</u>	<u>-</u>	<u>642,395</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	17,025	2,464	-	19,489
Total deferred inflows of resources	<u>17,025</u>	<u>2,464</u>	<u>-</u>	<u>19,489</u>
<b>FUND BALANCES</b>				
Restricted:				
Fund balance - restricted for debt service	-	12,780	-	12,780
Fund balance - restricted for capital projects	-	-	447,753	447,753
Unassigned	748,537	-	-	748,537
Total fund balances	<u>748,537</u>	<u>12,780</u>	<u>447,753</u>	<u>1,209,070</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,407,957</u>	<u>\$ 15,244</u>	<u>\$ 447,753</u>	<u>\$ 1,870,954</u>

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

VILLAGE OF THE HILLS, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

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

Total fund balance of all governmental funds	\$ 1,209,070
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,158,780
Other long-term assets, such as uncollected property taxes, are not available to pay for and, therefore, are reported as unavailable revenue in the funds.	19,489
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(811,104)
Additional long-term liabilities related to the recognition of the net pension liability and the net OPEB liability are not reported in the funds.	(8,811)
Net position of governmental activities	<u>\$ 2,567,424</u>

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

VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 448,074	\$ 165,115	\$ -	\$ 613,189
Sales taxes	311,871	-	-	311,871
Franchise taxes	122,796	-	-	122,796
Licenses and permits	3,751	-	-	3,751
Investment earnings	62,755	-	-	62,755
Miscellaneous revenue	8,383	-	-	8,383
Total revenues	<u>957,630</u>	<u>165,115</u>	<u>-</u>	<u>1,122,745</u>
<b>EXPENDITURES</b>				
Current:				
General government	320,029	-	-	320,029
Public safety	102,295	-	-	102,295
Culture and recreation	385,538	-	-	385,538
Debt service:				
Bond principal	-	160,000	-	160,000
Interest - bonds	-	9,175	-	9,175
Capital outlay	-	-	30,910	30,910
Total expenditures	<u>807,862</u>	<u>169,175</u>	<u>30,910</u>	<u>1,007,947</u>
Excess (deficiency) of revenues over	<u>149,768</u>	<u>(4,060)</u>	<u>(30,910)</u>	<u>114,798</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	40,000	40,000
Transfers out	(40,000)	-	-	(40,000)
Total other financing sources (uses)	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	<u>109,768</u>	<u>(4,060)</u>	<u>9,090</u>	<u>114,798</u>
Fund balance - beginning	<u>638,769</u>	<u>16,840</u>	<u>438,663</u>	<u>1,094,272</u>
Fund balance - ending	<u>\$ 748,537</u>	<u>\$ 12,780</u>	<u>\$ 447,753</u>	<u>\$ 1,209,070</u>

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

VILLAGE OF THE HILLS, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

Net change in fund balances for total governmental funds	\$	114,798
--	----	---------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		(6,472)
---	--	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		4,446
--	--	-------

The issuance of long-term debt (e.g., 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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		160,137
--	--	---------

The net effect of various transactions involving the net pension liability and the net OPEB liability is to decrease net position.		(10,755)
--	--	----------

Change in net position for governmental activities	\$	262,154
--	----	---------

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

*THIS PAGE LEFT BLANK INTENTIONALLY*



VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 458,642	\$ 458,642	\$ 448,074	\$ (10,568)
Sales taxes	258,000	258,000	311,871	53,871
Franchise taxes	112,000	112,000	122,796	10,796
Licenses and permits	2,700	2,700	3,751	1,051
Grants and Sponsorships	4,000	4,000	-	(4,000)
Investment earnings	9,600	9,600	62,755	53,155
Miscellaneous revenue	-	-	8,383	8,383
Total revenues	844,942	844,942	957,630	112,688
<b>EXPENDITURES</b>				
Current:				
General government	343,277	343,277	320,029	23,248
Public safety	161,000	161,000	102,295	58,705
Culture and recreation	284,600	284,600	385,538	(100,938)
Total Expenditures	788,877	788,877	807,862	(18,985)
Excess (deficiency) of revenues over expenditures	56,065	56,065	149,768	93,703
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing sources (uses)	(40,000)	(40,000)	(40,000)	-
Net change in fund balances	16,065	16,065	109,768	93,703
Fund balance - beginning	638,769	638,769	638,769	-
Fund balance - ending	\$ 654,834	\$ 654,834	\$ 748,537	\$ 93,703

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

VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023

	<u>Business-Type Activities</u>
	<u>Solid Waste Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 77,212
Investments - current	1,193
Accounts receivable, net	47,040
Total current assets	<u>125,445</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,476
Total current liabilities	<u>1,476</u>
<b>NET POSITION</b>	
Unrestricted	123,969
Total net position	<u>\$ 123,969</u>

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

VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities
	Solid Waste Fund
<b>REVENUES</b>	
Operating revenues:	
Charges for services:	
Water	\$ 279,272
Total operating revenues	<u>279,272</u>
<b>EXPENSES</b>	
Operating expenses:	
Other purchased services	242,726
Materials and supplies	22,018
Total operating expenses	<u>264,744</u>
Operating income (loss)	<u>14,528</u>
Change in net position	<u>14,528</u>
Net position-beginning	109,441
Net position-ending	<u><u>\$ 123,969</u></u>

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

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities
	Solid Waste Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 279,272
Payments to suppliers and service providers	(281,821)
Net cash provided by (used for) operating activities	(2,549)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	(1,193)
Net cash provided by investing activities	(1,193)
Net increase (decrease) in cash and cash equivalents	(3,742)
Cash and cash equivalents-beginning	80,954
Cash and cash equivalents-ending	\$ 77,212
<b>Reconciliation of operating income (loss) to net cash provided (used for) operating activities:</b>	
Operating income (loss)	\$ 14,528
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Decrease) increase in accounts payable	(17,077)
Total adjustments	(17,077)
Net cash provided by (used for) operating activities	\$ (2,549)

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

*THIS PAGE LEFT BLANK INTENTIONALLY*

## NOTES TO THE FINANCIAL STATEMENTS

*THIS PAGE LEFT BLANK INTENTIONALLY*



VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**I. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Village of the Hills is a municipal corporation governed by an elected mayor and five-member governing council.

**C. Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**D. Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Capital Projects Fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The government reports the following major enterprise funds:

The Solid Waste Fund accounts for the activities of the solid waste department. The solid waste department provides trash removal services for residents of the government.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Custodial funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**F. Budgetary Information**

***1. Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and Debt Service Fund. The capital projects are appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

***2. Excess of expenditures over appropriations***

For the year ended September 30, 2023, expenditures exceeded appropriations in the protective inspection department (the legal level of budgetary control) within the culture and recreation function of the general fund by \$100,938.

***2. Investments***

Investments for the government are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools (TexPool) when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

***3. Inventories and prepaid items***

The Village does not report inventories of supplies for consumable items due to the unused amount of these items being on hand at any given time being immaterial. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**4. 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 column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$1,500 and an estimated useful life of more than one year.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	10-50
Machinery and equipment	5-20
Vehicles	5-10
Improvements	10-20
Infrastructure	75-100
Water distribution system	75-100

**5. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government currently does not have any financial transactions that qualify for reporting in this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government currently has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Net position flow assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**7. Fund balance flow assumptions**

Sometimes the government 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 government'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.

**8. Fund balance policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance 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) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**H. Revenues and Expenditures/Expenses**

**1. Program revenues**

Amounts reported as *program revenues* include 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**2. *Property taxes***

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Village levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2022, upon which the levy for the 2022-2023 fiscal year was based, was \$634,346,010. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2023, to finance General Fund and Debt Service Fund operations were \$0.0731 and \$0.0269, respectively, for a total tax rate of \$0.1000 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2022-2023 fiscal year was \$634,346. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2023, were 98.4% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes.

**3. *Compensated absences***

**Vacation**

The employee of the Village of the Hills accrues three weeks of annual vacation. Any unused vacation is rolled into sick leave.

**Sick Leave**

Accumulated sick leave lapses when employees leave the employment of the government and, upon separation from service, no monetary obligation exists.

**4. *Proprietary funds operating and nonoperating revenues and expenses***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 water fund and electric fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

## II. Stewardship, Compliance and Accountability

### A. Violations of Legal or Contractual Provisions

No violations of legal or contractual provisions were noted during the current year.

### B. Deficit Fund Equity

For the year ended September 30, 2023 there were no funds reported with deficit fund equity.

## III. Detailed Notes on All Activities and Funds

### A. Cash Deposits with Financial Institution

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of September 30, 2023, the government's bank balance was \$350,161 all of which was insured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the Village's name.

### B. Investments

The State Treasurer's Investment Pool (Pool) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.G.2, *Investments*, for a discussion of how the shares in the Pool are valued. The Pool has a credit rating of AAA from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

The government utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

As of September 30, 2023, the government had the following investments:

Investment Type	Maturity Time in Years	
	Less than 1	
TexPool Investment Pool	\$	1,604,418
Total investments	\$	1,604,418



VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

*Interest rate risk.* In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

*Credit risk.* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2023, the government's investment in the State Treasurer's investment pool was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The government's investments in commercial paper were rated A1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investor's Service. The government's investments in corporate bonds were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service.

*Concentration of credit risk.* The government's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

*Custodial credit risk-investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

### C. Capital Assets

Capital assets activity for the year ended September 30, 2023, was as follows:

#### Governmental Activities:

	Balance 10/1/22	Increases	Decreases	Balance 9/30/23
Capital assets, not being depreciated:				
Land	\$ 39,540	\$ -	\$ -	\$ 39,540
Total capital assets, not being depreciated	39,540	-	-	39,540
Capital assets, being depreciated:				
Buildings and improvements	2,400,372	56,911	-	2,457,283
Machinery, equipment, and vehicles	292,638	-	-	292,638
Total capital assets, being depreciated	2,693,010	56,911	-	2,749,921
Less accumulated depreciation for:				
Buildings and improvements	(470,000)	(57,132)	-	(527,132)
Machinery, equipment, and vehicles	(97,298)	(6,251)	-	(103,549)
Total accumulated depreciation	(567,298)	(63,383)	-	(630,681)
Total capital assets being depreciated, net	2,125,712	(6,472)	-	2,119,240
Governmental activities capital assets, net	\$ 2,165,252	\$ (6,472)	\$ -	\$ 2,158,780



VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

**Governmental activities:**

General government	\$ 25,109
Public safety	8,026
Culture and recreation	30,248
Total depreciation expense - governmental activities	<u>\$ 63,383</u>

**D. Defined Benefit Pension Plan**

*Plan Description*

The Village participates as one of more than 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

All eligible employees of the Village 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 Village, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

*Employees Covered by Benefit Terms*

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>1</u>
	<u><u>1</u></u>

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

*Contributions*

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the Village were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Village were 8.540% and 12.14% in calendar years 2022 and 2023, respectively. The Village's contributions to TMRS for the year ended September 30, 2023 were \$12,986, and were equal to the required contributions.

*Net Pension Liability*

The Village's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	36.5%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	19.3%	5.68%
Other Public & Private Markets	8.9%	7.22%
Real Estate	12.3%	6.85%
Hedge Funds	5.2%	5.35%
Private Equity	11.2%	10.00%
Cash Equivalents	0.6%	0.00%
Total	100%	

*Discount Rate*

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

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2021	\$ 80,619	\$ 75,528	\$ 5,091
Changes for the year:			
Service cost	17,887	-	17,887
Interest	6,881	-	6,881
Change of benefit terms	12,375	-	12,375
Difference between expected and actual experience	(865)	-	(865)
Contributions - employer	-	10,303	(10,303)
Contributions - employee	-	7,281	(7,281)
Net investment income	-	(5,578)	5,578
Administrative expense	-	(48)	48
Other changes	-	57	(57)
Net changes	36,278	12,015	24,263
Balance at 12/31/2022	\$ 116,897	\$ 87,543	\$ 29,354

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

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

	1% Decrease in Discount Rate 5.75%	Current Discount Rate 6.75%	1% Increase in Discount Rate 7.75%
City's net pension liability	\$ 47,803	\$ 29,354	\$ 14,219

*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](http://www.tmrs.com).

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

For the year ended September 30, 2023, the Village recognized pension expense of (\$10,500).

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

At September 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ 8,540	\$ 2,460
Differences between expected and actual economic experience	2,987	870
Difference in assumption changes	474	-
Contributions subsequent to the measurement date	10,147	-
Total	<u>\$ 22,148</u>	<u>\$ 3,330</u>

\$10,147 reported as 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 year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31st:	Net Deferred Outflows (Inflows) of Resources
2023	\$ 1,427
2024	1,750
2025	1,812
2026	2,479
2027	347
Thereafter	856
Total	<u>\$ 8,671</u>

**E. Other Post-Employment Benefit (OPEB) Obligations – Supplemental Death Benefit Fund (SDBF)**

*Benefits Provided*

The Village also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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); retired employees are insured for \$7,500; this coverage is another post-employment benefit, or OPEB.

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

*Employees Covered by Benefit Terms*

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	1
	<hr/>
	1
	<hr/> <hr/>

*Contributions*

The Village 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 Village's contributions to the TMRS SDBF for the years September 30, 2023 and 2022 were \$88 and \$60 respectively, which equaled the required contributions each year.

*Plan Assets*

At the December 31, 2022 valuation and measurement date, there are no assets accumulated in trust.

*Actuarial Assumptions*

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.50%-11.50% including inflation per year
Discount rate	4.05% based on Fidelity Index's 20-year Municipal GO AA Index
Retirees' share of benefit costs	\$0

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

*Schedule of Changes in the Total OPEB SDBF Liability*

	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2021	\$ 755	\$ -	\$ 755
Changes for the year:			
Service cost	267	-	267
Interest	16	-	16
Difference between expected and actual experience	(88)	-	(88)
Changes of assumptions	(434)	-	(434)
Net changes	(239)	-	(239)
Balance at 12/31/2022	<u>\$ 516</u>	<u>\$ -</u>	<u>\$ 516</u>

*Sensitivity of the net OPEB SDBF liability to changes in the discount rate*

The following presents the net OPEB liability of the Village, calculated using the discount rate of 4.05%, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 3.05% or 1-percentage-point higher 5.05% than the current rate:

	1% Decrease in	Current	1% Increase in
	Discount Rate 3.05%	Discount Rate 4.05%	Discount Rate 5.05%
Village's net OPEB SDBF liability	\$ 685	\$ 516	\$ 396

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB SDBF*

For the year ended September 30, 2023, the Village recognized OPEB SDBF expense of (\$841).

At September 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB SDBF from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between projected and actual investment earnings	\$ 9	\$ 440
Difference in assumption changes	234	401
Contributions subsequent to the measurement date	88	-
Total	<u>\$ 331</u>	<u>\$ 841</u>

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Deferred outflows of resources related to OPEB SDBF amounting to \$88 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB SDBF liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB SDBF will be recognized in OPEB SDBF expense as follows:

Measurement Year Ended Dec 31st:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (72)
2024	(72)
2025	(71)
2026	(72)
2027	(72)
Thereafter	(239)
Total	<u>\$ (598)</u>

#### **F. Risk Management**

The government is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the year, the Village purchased commercial insurance to cover general liabilities. There are no significant reductions in coverage in the past fiscal year and no settlements exceeding insurance coverage for each of the past three fiscal years.

#### **G. Long-Term Liabilities**

##### General Obligation Bonds

The government issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation have been issued for both governmental and business-type activities. These long-term debt instruments are direct obligations and pledge the full faith and credit of the government. General obligation bonds and certificates of obligation generally are issued with repayment scheduled to occur as equal amounts of principal maturing each year with maturities that range from 5 to 20 years.

The government issues maintenance tax notes or obtains regular notes payable financing arrangements from banks to provide funds for the acquisition of equipment or minor capital projects. Tax notes and regular notes payable are direct obligations and pledge the full faith and credit of the government. These debt instruments are generally repaid in equal installments of principal and interest over a period of 3 to 10 years.



VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Details of long-term debt obligations outstanding at September 30, 2023 are as follows:

Governmental Activities:

**Notes Payable:**

\$1,125,000 Limited Tax Notes, Series 2021	2021	\$ 1,125,000	0.625%-1.326%	2028	\$ 810,000
Total Notes Payable					<u>\$ 810,000</u>

Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended September 30, 2023 are as follows:

Governmental Activities:

Description	Balance 10/1/22	Additions	Deletions	Balance 9/30/23	Due in One Year
Notes payable	\$ 970,000	\$ -	\$ (160,000)	\$ 810,000	\$ 160,000
Governmental activities long-term liabilities	<u>\$ 970,000</u>	<u>\$ -</u>	<u>\$ (160,000)</u>	<u>\$ 810,000</u>	<u>\$ 160,000</u>

The debt service requirements for the government's bonds, loans, and notes are as follows:

Governmental Activities:

Year Ended September 30,	Principal	Interest	Total Requirements
2024	\$ 160,000	\$ 8,015	\$ 168,015
2025	160,000	6,651	166,651
2026	160,000	5,046	165,046
2027	165,000	3,184	168,184
2028	165,000	1,094	166,094
	<u>\$ 810,000</u>	<u>\$ 23,990</u>	<u>\$ 833,990</u>

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**H. Fund Balance**

**Minimum fund balance policy.** The governing council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at two months of general fund annual revenues (approximately 16.7%). This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

**I. Interfund Transfers**

The composition of interfund transfers for the year ended is September 30, 2023 as follows:

	<u>Transfer in to:</u>
	<u>Governmental Funds</u>
	<u>Capital Projects Fund</u>
<b>Transfer out from:</b>	
General Fund	\$ 40,000
Total	<u>\$ 40,000</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move general fund resources to provide subsidies to other funds as needs arise, and 3) move resources from the electric fund to the general fund to subsidize governmental activities.

Furthermore, during the year ended September 30, 2023 the government made the following one-time transfers:

- 1) A transfer of \$40,000 from the general fund to the capital projects fund to fulfill the general fund’s commitment to contribute a percentage of required funding.

**N. Contingencies**

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

**O. Subsequent Events**

As of March 22, 2024, there were no items noted requiring recording and/or disclosure.

*THIS PAGE LEFT BLANK INTENTIONALLY*

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER REPORTING

VILLAGE OF THE HILLS, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020
<b>A. Total pension liability</b>			
1. Service cost	\$ 17,887	\$ 14,776	\$ 14,954
2. Interest (on the Total Pension Liability)	6,881	4,516	3,160
3. Changes of benefit terms	12,375	-	-
4. Difference between expected and actual experience	(865)	1,814	2,066
5. Changes of assumptions	-	-	-
6. Benefit payments, including refunds of employee contributions	-	-	-
7. Net change in total pension liability	\$ 36,278	\$ 21,106	\$ 20,180
8. Total pension liability - beginning	80,619	59,513	39,333
9. Total pension liability - ending	<u>\$ 116,897</u>	<u>\$ 80,619</u>	<u>\$ 59,513</u>
<b>B. Plan fiduciary net position</b>			
1. Contributions - employer	\$ 10,303	\$ 9,333	\$ 8,688
2. Contributions - employee	7,281	7,008	7,093
3. Net investment income	(5,578)	6,891	2,605
4. Benefit payments, including refunds of employee contributions	-	-	-
5. Administrative expense	(48)	(32)	(17)
6. Other changes	57	-	-
7. Net change in plan fiduciary net position	\$ 12,015	\$ 23,200	\$ 18,369
8. Plan fiduciary net position - beginning	75,528	52,328	33,959
9. Plan fiduciary net position - ending	<u>\$ 87,543</u>	<u>\$ 75,528</u>	<u>\$ 52,328</u>
<b>C. Net pension liability [A.9 - B.9]</b>	<u>\$ 29,354</u>	<u>\$ 5,091</u>	<u>\$ 7,185</u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]</b>	74.89%	93.69%	87.93%
<b>E. Covered-employee payroll</b>	\$ 121,352	\$ 116,804	\$ 118,211
<b>F. Net position as a percentage of covered employee payroll [C / E]</b>	24.19%	4.36%	6.08%

Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
\$ 13,364	\$ 10,706	\$ 7,197
2,027	1,017	387
1,814	-	2,130
(154)	99	-
746	-	-
-	-	-
\$ 17,797	\$ 11,822	\$ 9,714
21,536	9,714	-
\$ 39,333	\$ 21,536	\$ 9,714

\$ 6,649	\$ 5,385	\$ 3,620
6,456	5,542	3,726
2,823	(223)	-
-	-	-
(16)	(3)	-
-	-	-
\$ 15,912	\$ 10,701	\$ 7,346
18,047	7,346	-
\$ 33,959	\$ 18,047	\$ 7,346
\$ 5,374	\$ 3,489	\$ 2,368

86.34%	83.80%	75.62%
\$ 107,597	\$ 92,371	\$ 62,101
4.99%	3.78%	3.81%

VILLAGE OF THE HILLS, TEXAS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET PENSION LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Fiscal Year			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 12,986	\$ 10,012	\$ 8,916	\$ 6,215
Contributions in relation to the actuarially determined contribution	<u>(12,986)</u>	<u>(10,012)</u>	<u>(8,916)</u>	<u>(6,215)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 112,955	\$ 119,799	\$ 116,210	\$ 117,346
Contributions as a percentage of covered employee payroll	11.50%	8.36%	7.67%	5.30%



Fiscal Year		
<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 5,975	\$ 5,226	\$ 2,520
<u>(5,975)</u>	<u>(5,226)</u>	<u>(2,520)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 97,823	\$ 87,100	\$ 42,000
6.11%	6.00%	6.00%

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET PENSION LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**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 period	6 Years (longest amortization ladder)
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50% per year
Salary increases	3.50% to 11.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the Village's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee tables used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information:**

Notes Increased Member contribution rate from 6% to 7%.

VILLAGE OF THE HILLS, TEXAS  
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020
<b>A. Total pension liability</b>			
1. Service cost	\$ 267	\$ 234	\$ 189
2. Interest on Total OPEB Liability	16	18	18
3. Changes of benefit terms	-	-	-
4. Difference between expected & actual experience	(88)	(319)	(147)
5. Changes of assumptions	(434)	28	166
6. Benefit payments	-	-	-
7. Net changes	\$ (239)	\$ (39)	\$ 226
8. Total OPEB Liability - beginning of the year	-	794	568
9. Total OPEB Liability - end of the year	<u>\$ (239)</u>	<u>\$ 755</u>	<u>\$ 794</u>
 <b>E. Covered-employee payroll</b>	 \$ 121,352	 \$ 116,804	 \$ 118,211
 <b>F. Total OPEB Liability as a Percentage of Covered Payroll</b>	 -0.20%	 0.65%	 0.67%

Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
\$ 151	\$ 157	\$ 87
13	6	2
-	-	16
(6)	14	-
143	(24)	9
-	-	-
<u>\$ 301</u>	<u>\$ 153</u>	<u>\$ 114</u>
<u>267</u>	<u>114</u>	<u>-</u>
<u><u>\$ 568</u></u>	<u><u>\$ 267</u></u>	<u><u>\$ 114</u></u>
\$ 107,597	\$ 92,371	\$ 62,101
0.53%	0.29%	0.18%

VILLAGE OF THE HILLS, TEXAS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET OPEB SDBF LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Fiscal Year		
	2023	2022	2021
Actuarially Determined Contribution	\$ 88	\$ 60	\$ 230
Contributions in relation to the actuarially determined contribution	(88)	(60)	(230)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 112,955	\$ 119,799	\$ 116,210
Contributions as a percentage of covered employee payroll	0.43%	0.65%	0.20%

Fiscal Year		
2020	2019	2018
\$ 548	\$ 44	\$ -
(548)	(44)	-
\$ -	\$ -	\$ -
\$ 117,346	\$ 97,823	\$ 87,100
0.47%	0.04%	0.00%

*THIS PAGE LEFT BLANK INTENTIONALLY*



VILLAGE OF THE HILLS, TEXAS  
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NET OPEB SDBF LIABILITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**Summary of Actuarial Assumptions:**

Inflation	2.50%
Salary increases	3.50% to 11.50%; including inflation
Discount rate*	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**Other Information:**

Notes	<p>*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.</p> <p>The Actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.</p>
-------	--

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 168,775	\$ 168,775	\$ 165,115	\$ (3,660)
Total revenues	168,775	168,775	165,115	(3,660)
<b>EXPENDITURES</b>				
Current:				
Debt service:				
Bond principal	160,000	160,000	160,000	-
Interest - bonds	9,174	9,174	9,175	(1)
Total Expenditures	169,174	169,174	169,175	(1)
Excess (deficiency) of revenues over expenditures	(399)	(399)	(4,060)	(3,661)
Net Change in Fund Balances	(399)	(399)	(4,060)	(3,661)
Fund balance - beginning	16,840	16,840	16,840	-
Fund balance - ending	\$ 16,441	\$ 16,441	\$ 12,780	\$ (3,661)

*THIS PAGE LEFT BLANK INTENTIONALLY*



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor, Members of the Village Council and Citizens of  
the Village of the Hills, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund information of (the "Village"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Village's basic financial statements and have issued our report thereon dated March 22, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Village of the Hills, Texas's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village's internal control. Accordingly, we do not express an opinion on the effectiveness of Village's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did however identify a significant deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003.

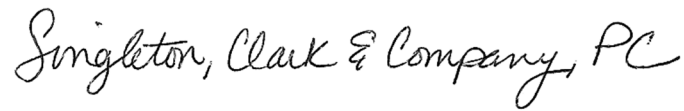
*THIS PAGE LEFT BLANK INTENTIONALLY*

## **Village of the Hills, Texas's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Singleton, Clark & Company, PC". The script is cursive and fluid.

Singleton, Clark & Company, PC  
Cedar Park, Texas

March 22, 2024

*THIS PAGE LEFT BLANK INTENTIONALLY*



VILLAGE OF THE HILLS, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

---

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

**FEDERAL AWARDS**

Under the guidelines of the federal Uniform Guidance, a Single Audit was not required for the year ended December 31, 2022 due to expenditures of federal awards being less than \$750,000.

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

2023-001                      Accounting and Financial Reporting (Significant Deficiency)

Criteria:                      As part of the regular accounting and financial reporting process, accounts payable, accounts receivable and payroll should be accrued. The balances of the general ledger should be reviewed and monitored on an ongoing basis in order to ensure their accuracy and provide for good financial reporting. This review process is particularly important at year-end during the preparation of the account records for external financial reporting.

Condition Found:              The audit resulted in an excessive amount of adjusting journal entries being applied to the books of the organization to correct various areas of accounting such as beginning account balances, accounts payable, and accounts receivable. For the financial internal controls of an organization to be considered adequate the organization should be able to prepare its own accounting records or effectively outsource this function.

Cause:                          Beginning account balances were not verified for accuracy and during the year-end close, the Village did not adhere to modified accrual method of accounting for governmental entities under GAAP.

Effect:                          In order to correct these issues for accurate external financial reporting, several audit adjusting entries were required during the year.

Recommendation:              We recommend that the Village adhere to modified accrual, the method of accounting for governmental entities under GAAP, to accrue any items material to the financial statements.

*THIS PAGE LEFT BLANK INTENTIONALLY*

VILLAGE OF THE HILLS, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

---

**SECTION II – FINANCIAL STATEMENT FINDINGS (continued)**

2023-002                      Cash Accounts – Bank Reconciliations (General)

Criteria:                      As part of the regular accounting and financial reporting process, the account balances of the general ledger should be reviewed and monitored on an ongoing basis in order to ensure their accuracy and provide for good financial reporting. This review process is particularly important at year-end during the preparation of the account records for external financial reporting.

Condition Found:            The audit resulted bank reconciliations that did not agree to balances in accounts.. The Village appears to reconcile the cash accounts to a pooled cash account fund 99. This procedure of bank reconciliations results in the trial balance accounts for the Village having the incorrect balances.

Cause:                        Beginning account balances were not verified for accuracy and during the year-end close, the state and federal grants were not closely reviewed for accurate reporting.

Effect:                        In order to correct these issues for accurate external financial reporting, these accounts needed to be adjusted per client provided bank reconciliations and confirmations received from the bank and texpool.

Recommendation:           We recommend that the trial balance accounts be reconciled to and reflect the amounts on the bank reconciliations.

2023-003                      Budgetary Compliance (General)

Criteria:                        Each year the Village's Council adopts an appropriations budget which limits expenditure amounts within specific line items that can be made by management.

Condition Found:            As of year-end, the General Fund actual expenditures that exceed the budget in Culture and Recreation by \$100,938 (35.47%).

Cause:                        The needed budget amendments were either not known by year-end or not brought timely for approval.

Effect:                        The effect of this condition is a technical noncompliance with the legally adopted appropriations budget.

Recommendation:           We recommend the budget-to-actual expenditure amounts be closely monitored during the year and needed budget amendments be brought to the board as needed to be considered for approval.

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2022.

---

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Findings Related to Federal Awards Which are Required to be Reported in Accordance with federal Uniform Guidance:

Not applicable.

*THIS PAGE LEFT BLANK INTENTIONALLY*



---

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Current Year Audit Findings:**

**2023-001    Accounting and Financial Reporting**

**Corrective Action Planned:**

The Village Bookkeeper completes all adjusting journal entries and beginning account balances with the approval of the Village Manager. For the 2022-2023 fiscal year we were contracted with Joy Shazima to complete all of the above listed functions. We also implemented a new accounting and will implement the accrual method of accounting going forward. While the communication and service has improved, the accounting has not improved to the level needed to comply with GAAP accounting.

Going forward, our plans are to arrange a meeting with the Bookkeeper, Village Manager, and the Council members to go over our external audit and request changes that are needed. At the Village, our business person, who was hired last year have begun taking classes in order to better spot incorrect issues with accounting.

**Anticipated Completion Date: August 31, 2024**

**Contact Person(s): Dean Huard**

**2023-002    Cash Accounts – Bank Reconciliations**

**Corrective Action Planned:**

Bookkeeper completes all our bank reconciliations as a part of our contract with her. We will make sure that the trial balance accounts be reconciled to and reflect the amounts on the bank reconciliations As we went through the year we begin to notice issues with not getting bank recs on time and other problems with our accounting service. As part of the regular accounting and financial reporting process, the account balances of the general ledger should be reviewed and monitored on an ongoing basis in order to ensure their accuracy and provide for good financial reporting. This review process is particularly important at year-end during the preparation of the account records for external financial reporting.

**Anticipated Completion Date: August 31,2024**

**Contact Person(s): Dean Huard**

*THIS PAGE LEFT BLANK INTENTIONALLY*

2023-003 Budgetary Compliance

Corrective Action Planned:

The Village Manager will work closely with the Bookkeeper and request budgetary printouts monthly to enable us to keep a closer watch to prevent overages.

Anticipated Completion Date: August 31, 2024

Contact Person(s): Dean Huard