



CITY OF CEDAR HILL, TEXAS
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
For the Year Ended September 30, 2023

**City of Cedar Hill, Texas
Annual Comprehensive Financial Report**

Year Ended September 30, 2023

Prepared by the

City of Cedar Hill

Finance Department

Chuck Fox, Finance Director
Kiphani Allen, Assistant Finance Director
Grace Du, Controller

City Council

Stephen Mason, Mayor

Alan E. Sims, Mayor Pro Tem
Shirley Daniels, Council Member
Daniel C. Haydin, Jr., Council Member

Chad McCurdy, Council Member
Gregory Glover, Council Member
Maranda K. Auzenne, Council Member

City Manager

Greg Porter

City of Cedar Hill, Texas
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Introductory Section



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March 29, 2024

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

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the City of Cedar Hill (the "City") for the fiscal year ended September 30, 2023. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report fulfills that requirement.

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

The ACFR is prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America established by the Government Accounting Standards Board (GASB). The ACFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the City's organizational chart, a list of principal officials and the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's 2022 report. The financial section includes the management's discussion and analysis (MD&A), the government-wide and fund financial statements, notes to basic financial statements, required supplemental information, other supplemental information, as well as the independent auditors' report on the basic financial statements. The statistical section includes selected financial and demographic information which is presented on a multi-year basis. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

Centrally located in the heart of the Dallas/Fort Worth Metroplex in southwest Dallas County and northwest Ellis County, Cedar Hill (the "City") is a thriving suburb known for its tree-lined rolling hills, abundant green spaces, big city amenities, and small-town charm. The City is bordered on the north by the cities of Dallas and Duncanville, on the west by the City of Grand Prairie and Joe Pool Lake, on the south by City of Midlothian, and on the east by the City of DeSoto. The City was incorporated in 1938 under the general laws of the State of Texas and is one of the oldest organized cities in Dallas County. Cedar Hill became a home-rule city in 1975 and encompasses 35.5 square miles with approximately 55% being developed. The City has an estimated population of 48,949 residents.

The City's abundant green spaces and natural beauty are part of Cedar Hill's distinctive character. The inclusion of neighborhood parks, hike and bike trails, and the preservation of green space for future generations remain a priority of community and City Council. Some of the most beautiful and popular parks and open space areas in the State of Texas are in the City including Cedar Hill State Park and the Dogwood Canyon Audubon Center. A wide selection of charter and private schools in



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addition to Cedar Hill Independent School District (CHISD) add to the expansive set of educational choices available in Cedar Hill.

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

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

Reporting Entity. This accompanying ACFR includes all funds of the City including its component units and internal service funds. The City's component units are legally separate entities for which the City is financially accountable.

Accounting System and Budgetary Control

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

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

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

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

Budgetary control has been established at the individual fund level. Financial reports are produced electronically showing budget and actual for expenditures and revenues are reviewed by



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Departmental Managers and Directors on a routine basis. All Departments have access to the City's core financial system for budget management.

Factors Affecting Financial Condition

Local Economy. The City has seen several consecutive years of tax base growth. The City's new construction value of \$162,230,864 from 2023 to 2024 is the highest amount of new construction in the City's recent history.

Business development in light manufacturing, commercial, and light industrial continues to grow. The Cedar Hill Economic Development Corporation (CHEDC) promotes economic development opportunities to regional, national, and international audiences. Over the past few years, significant progress has been made on several catalytic projects.

Approximately 3.8 million square feet of commercial, industrial and retail development has been constructed since 2020 including major commercial and industrial projects by Hillwood Development, KBC Industrial, Stream Realty Industrial, Stanley Restoration, and Highlands Retail Center. The Hillwood development of the High Point 67 Logistics Center serves as a cornerstone to the future Loop-9 corridor and is expected to generate more than \$75 million in capital investments, \$100 million in new taxable value, and support the creation of hundreds of jobs in Cedar Hill. Thus far, 2.6 million square feet of spec industrial space has been built with plans to build an additional 400,000 square feet within the next few years. Pratt Industries, Inc., the world's largest privately held producer of 100% recycled containerboard, has located a regional manufacturing & innovation center and now serves as the anchor tenant on the High Point 67 campus. This 1 million square-foot development included an investment of more than \$200 million in infrastructure, added over 150 full-time green-dollar jobs, positioning High Point 67 to be the second largest taxpayer and Pratt Industries to be the City's fifth largest employer in the City in its first year of operations.

New commercial developments under construction are Delta Steel, Stream Realty Industrial II, and Rally House. A new retail commercial development that includes Pizza Patron and Pet Supplies Plus is under construction. Residential developments continue to offer a diverse array of housing in our community to meet the needs of the market. Residential developments under construction or nearing completion include Bear Creek, Stone Hill, and Addison Hills neighborhoods as well as Broadmoor Village Townhomes. The City welcomed its first rental home community - Cottages at Waterford Oaks - in summer 2023.

Cedar Hill remains a popular Texas tourist destination that showcases the area's attractions and natural beauty. The Dogwood Canyon Audubon Center opened 250-acres of national preserve with an interpretive center in 2011 which draws visitors to the City. This Center, in conjunction with Cedar Hill State Park, Cedar Mountain Preserve, and the City's numerous parks, extensive trail system, and open spaces continue to bring tourism to the City. The Balcones Trail was dedicated in November 2022. This three-mile trail highlights the natural features of the Balcones Escarpment and connects more than 3,000 acres of nature preserves and open space including the City's most popular ecotourism destinations.



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Economic Future. As Cedar Hill continues to grow, City officials are committed to balancing expanding economic development opportunities that will foster development with preserving the topography and scenic views for which the City is known. The City maintains the commitment to preserving our community's natural beauty for future generations with the acquisition of an additional tract of land just under 122 acres this year. Cedar Hill's culture of planning and commitment to vision have fostered the success and resilience of our commercial and residential sectors bringing expanded employment centers, new connections, and significant infrastructure upgrades.

Projects that are anticipated to be constructed within the next five years include a full-service hospital with medical offices through the Texas Health Resources (THR) system, a 400,000 square-foot development through Hillwood Industrial, a 304,000 square-foot development from Leon Capital Industrial, a new facility for Texas Truss, \$500,000 of site improvements at Central States Manufacturing, and additional commercial, retail, and restaurant developments.

Significant transportation infrastructure projects underway or on the near-term horizon include an interchange at Highway 67/Lake Ridge Parkway and the final alignment and initial program funding for Loop 9. Both projects are administered and are/will be funded by TxDOT and will have significant catalytic impacts on continuing development within the City over the next decade and beyond.

The residential market continues to grow to meet the needs of the market offering a diverse array of housing in our community. A total of 589 single family dwellings are under construction. An additional 1,392 dwelling units are anticipated to be developed and constructed within the next five years. These include a wide range of options including single family homes, townhomes, multi-family homes, and communities for senior citizens including the City's first master planned, resort-style community - Balcones Ranch.

Financial Planning and Fiscal Policies. The City has a long tradition of disciplined and prudent fiscal management. For three years, City staff engaged the community through various events and platforms to gather broad input and feedback to develop the comprehensive plan – Cedar Hill Next. The comprehensive plan was adopted by the City Council in March 2022 and received the Environmental Planning Gold Award from the Texas Chapter of the American Planning Association.

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

The City's budget reflects the community's priorities and the strategic goals set by the City Council to further the vision of Cedar Hill as a premier city. Additionally, it reflects the City's mission to deliver the highest quality municipal services to its citizens and customers, consistent with its community values. The City Council holds an annual strategic planning retreat to review its strategic plans and priorities. The City uses its master plans to guide its long-term growth and financial planning. Utilizing these plans, the City annually updates a five-year capital improvement plan for streets, utilities, and facilities, including the timing and amounts of debt to be issued to fund the plan.



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

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

Major Initiatives. Continuing the momentum from the 2017 bond program, the City is poised to embark on a new chapter of strategic planning and catalytic projects to maintain its appeal as a premier destination for residents, businesses, and visitors. These projects reflect the City's commitment to its premier statements aiming to enhance quality of life for residents and maintain its status as a premier city. Below are the highlights of projects completed or near-completion and scheduled to occur in 2024.

- Lagoon at Virginia Weaver Park: The Lagoon at Virginia Weaver Park opened in May 2023. The inaugural season was filled with many firsts including exceeding attendance, revenue, and ticket sales projections. The facility welcomed over 23,000 users from 98 unique cities and 12 different states. Nearly 1,600 season passes were sold producing revenues that exceeded expenditures.
- Community and Neighborhood Parks: The City completed improvements for various neighborhood and community parks in accordance with the 2017 Bond Referendum. Several of the City's 32 parks received improvements including updated walking paths, new amenities such as work out equipment, new shade structures, and enhanced landscaping. The City recently approved funding to update the Parks, Recreation, Trails & Open Space Master Plan to continue to next chapter of strategic planning.
- Library, Museum, and Signature Park: The new Library, Museum, and Signature Park broke ground in summer 2022 and is currently under construction. The 40,000 square-foot state-of-the-art facility will feature dedicated program space for people of all ages, innovative technology, business centers, a recording studio, sensory room, social café, and an outdoor event deck. The City exceeded the Minority and Women Owned Business Enterprises (M/WBE) participation goals and achieved an unprecedented 48% of participation from Minority and Women Owned contractors of the total cost of subcontracted work. The Library will achieve LEED Silver designation, which will be the first municipal LEED certified building in Cedar Hill, and it will be one of two LEED certified buildings in the community. The facility will be named for long time community member Traphene Hickman. Additionally, the signature park will include a grand promenade and large lawn for outdoor community events and provide 1.4 miles of core trail. The Library, Museum, and Signature Park are scheduled to open in April 2024.

- **Tax Increment Funding #1 (TIF #1):** At the January 10, 2023 City Council meeting, the City Council adopted a final project and financing plan by ordinance for TIF #1. The TIF will be utilized to encourage additional development and finance public infrastructure within the Downtown, Midtown, and Uptown zones of the City. Dallas County participation was approved in September 2023 at a rate of 40% for 20 years. The TIF is scheduled to terminate in December 2047.
- **Historic Downtown:** Development in Cedar Hill's historic downtown continues to grow. In January 2023, a community celebration was held to commemorate enhancements including the completion of phase 1 of the Downtown Complete Streets project, which included relocating overhead infrastructure underground, enhancing beautification efforts, and updating lighting, landscaping, and seating. Phase 2 of the Downtown Complete Streets project is under design and will include street improvements and a parking area on the south side of Cedar Street. The revitalization of historic downtown includes engagement of new and existing downtown businesses, programmed events in Pioneer Park in the heart of downtown Cedar Hill, and the downtown mural program.
- **Strategic Planning:** The City of Cedar Hill has a strong culture of planning. The City Council recently approved the Economic Development Strategy, West Midtown Plan, Downtown Complete Streets, and the Joint Public Safety Strategic Plan. The following long-term plans are in progress: Tourism Strategic Plan, Information Technology Master Plan, Parks, Recreation, Trails & Open Space Master Plan, Impact Fee Study (Roadway, Water and Sewer), and Water & Sewer Master Plan.

Other Information

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

Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Hill for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2022. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both GAAP and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting the 2023 ACFR to the GFOA.



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


Respectfully submitted,



Greg Porter, City Manager



Chuck Fox, Finance Director



Grace Du, Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cedar Hill
Texas**

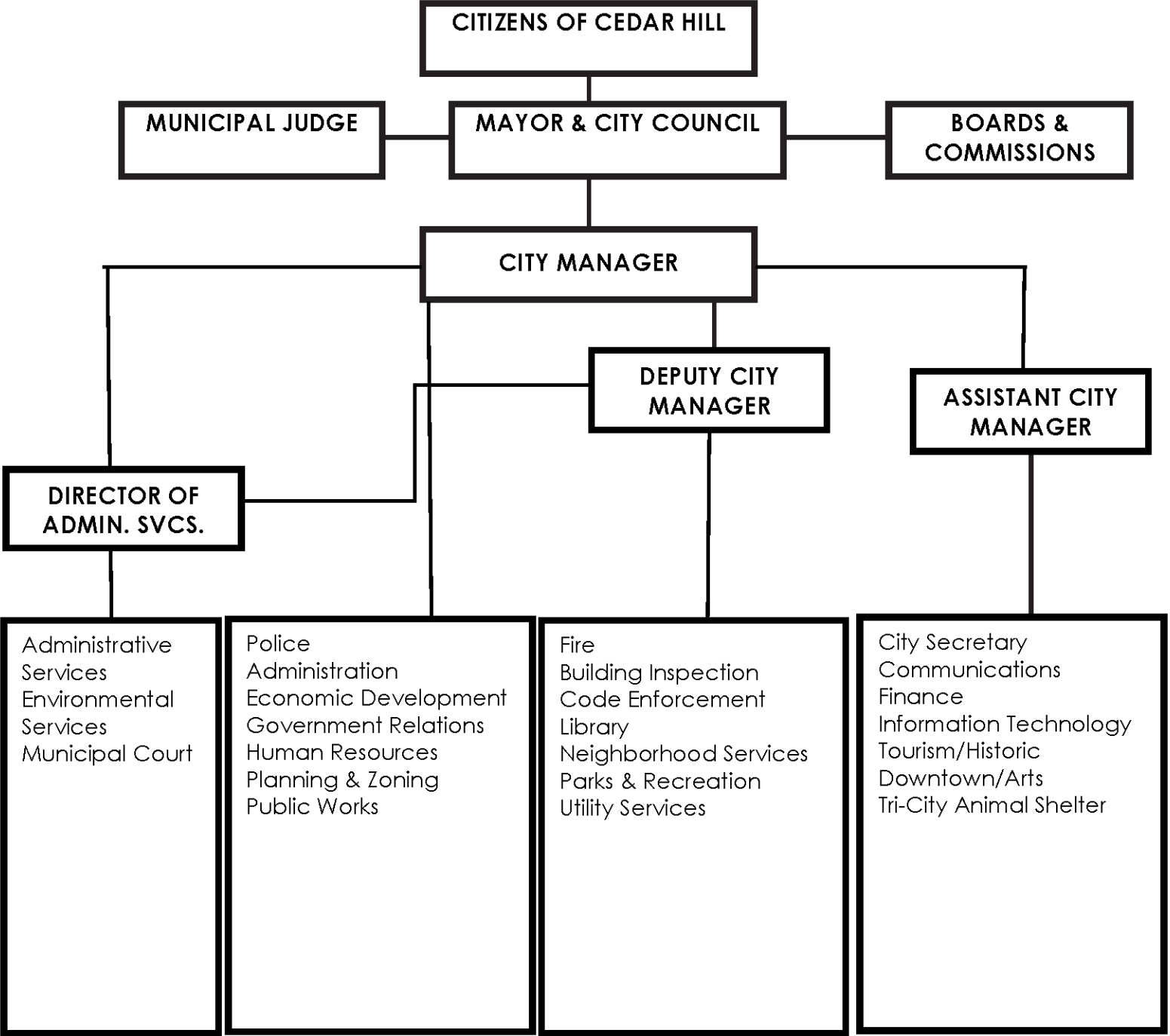
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



City of Cedar Hill, Texas
List of Principal Officials
September 30, 2023

Elected Officials

Title	Name
Mayor	Stephen Mason
Mayor Pro Tem	Alan E. Sims
Councilmember	Shirley Daniels
Councilmember	Daniel C. Haydin, Jr.
Councilmember	Chad A. McCurdy
Councilmember	Gregory Glover
Councilmember	Maranda K. Auzenne

Appointed Officials

City Manager	Greg Porter
Deputy City Manager	Melissa Valadez- Cummings
Assistant City Manager	Alison Ream
Finance Director	Chuck Fox
City Secretary	Belinda Berg
Police Chief	Ely Reyes
Fire Chief	Richard L. Davis, Jr.
Economic Development Director	Henry Florsheim
Neighborhood Services Director	Stacey Graves
Parks & Recreation Director	Shawn Ray
Planning Director	Chasidy Benson
Public Works Director	Tom Johnson
Director of Administrative Services	Marie Watts
Information Technology Director	Earl Shipman
Tri-City Animal Shelter Manager	Tammy Miller
Library Director	Aranda Bell
Director of Human Resources	Tracey Kerezman



Financial Section



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forvis.com

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Hill, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

FORVIS,LLP

**Dallas, Texas
March 29, 2024**

City of Cedar Hill, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2023

The City of Cedar Hill offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with our letter of transmittal in the introductory section and the financial reports that follow in this section.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2023 by \$239,439,363 (total net position). Of this amount, \$158,440,922 (66%) is net investment in capital assets and \$26,762,943 (11%) is restricted for specific purposes. Other restricted assets are related to Joe Pool Lake (JPL) assets and total \$20,151,321 (8%) and are allocated by City policy into \$5,151,321 expendable and \$15,000,000 nonexpendable assets. The remaining \$34,084,177 is unrestricted and may be used to meet the City's ongoing obligations to citizens in accordance with the City's fund designation and fiscal policies.
- The City's total net position has increased by \$13,066,880 over 2022. Net position for governmental activities increased by \$8,600,006 or 5% and business-type net position increased by \$4,466,874 or 8%. The increase in governmental activities is primarily due to an increase in property, sales, other tax revenues, permitting/development revenues, and charges for services.
- At September 30, 2023, the City's governmental funds reported combined ending fund balances of \$92,171,313, a decrease of \$2,296,853 when compared to prior year. With expenditures exceeding revenues by \$24,281,927, this increase was partially offset by \$19,295,000 in net bond issuance proceeds. Within total fund balance, \$45,688,740 (50%) is restricted by specific legal requirements, \$15,093,033 (16%) is non-spendable as it relates to prepaids, inventories and the JPL Permanent Fund; and further, \$640,829 (1%) is assigned to specific types of expenditures, and \$16,088,566 (17%) is committed by policy of the governing board for specific community projects and the JPL nature corridor. The remainder of the fund balance, \$14,660,145 (16%), is unassigned in the general, grant, and nonmajor governmental funds. The \$14,907,301 unassigned fund balance in the general fund is approximately 32% of total general fund expenditures.
- The City's non-current liabilities increased by \$32,499,336 or 26% which is attributed to the increase in the issuance of certificates of obligations and a significant increase in the Net Pension Liability.

Overview of the Financial Statements

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

- (1) Government-wide financial statements
- (2) Fund financial statements
- (3) Notes to the financial statements.

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

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

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

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

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

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

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

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

The government-wide financial statements include not only the City (primary government) but also the discretely presented component units: Community Development Corporation (CDC) and the Economic Development Corporation (EDC). These component units are legal, separate entities for which the City is financially accountable.

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

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Total assets of the City at September 30, 2023 were \$411,399,988, deferred outflows of resources were \$15,873,717, total liabilities were \$184,174,616, and deferred inflows of resources were \$3,659,726 resulting in a net position balance of \$239,439,363.

The largest portion of the City's net position, \$158,440,922 reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, infrastructure, and leased and subscription assets); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 122,835,843	\$ 123,829,648	\$ 28,293,458	\$ 21,152,782	\$ 151,129,301	\$ 144,982,430
Capital and other assets	201,896,969	176,086,280	57,959,369	57,879,327	259,856,338	233,965,607
Other assets	414,349	35,370	-	-	414,349	35,370
Total assets	325,147,161	299,951,298	86,252,827	79,032,109	411,399,988	378,983,407
Deferred outflows of resources	14,235,960	6,302,124	1,637,757	675,931	15,873,717	6,978,055
Current liabilities	33,904,264	27,869,447	5,090,202	3,983,867	38,994,466	31,853,314
Noncurrent liabilities	123,105,999	98,404,792	22,074,151	18,818,591	145,180,150	117,223,383
Total liabilities	157,010,263	126,274,239	27,164,353	22,802,458	184,174,616	149,076,697
Deferred inflows of resources	3,496,815	9,703,146	162,911	809,136	3,659,726	10,512,282
Net position						
Net investment in capital	113,589,648	121,149,233	44,851,274	45,546,705	158,440,922	166,695,938
Restricted	45,198,648	32,859,438	1,715,616	698,996	46,914,264	33,558,434
Unrestricted	20,087,747	16,267,366	13,996,430	9,850,745	34,084,177	26,118,111
Total net position	\$ 178,876,043	\$ 170,276,037	\$ 60,563,320	\$ 56,096,446	\$ 239,439,363	\$ 226,372,483

An additional portion of the City's net position totaling \$46,914,264 or 20%, represent resources that are subject to external restrictions on how these funds can be used. The remaining balances of \$34,084,177 is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The net position of the primary government (City) increased by \$13,066,880 or 6% for the fiscal year ended September 30, 2023. The primary government's overall revenues increased by \$122,254 or less than 1% while overall expenses increased by \$5,005,352 or 6%.

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The fiscal year 2023 compared to fiscal year 2022 changes in the City's net position were as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 9,701,789	\$ 13,389,794	\$ 25,865,260	\$ 24,051,862	\$ 35,567,049	\$ 37,441,656
Operating grants and contributions	4,651,946	4,626,678	-	-	4,651,946	4,626,678
Capital grants and contributions	1,090,180	6,727,756	1,016,620	843,763	2,106,800	7,571,519
General revenues						
Property taxes	37,259,680	32,489,734	-	-	37,259,680	32,489,734
Sales taxes	13,014,378	12,684,612	-	-	13,014,378	12,684,612
Hotel/motel taxes	476,744	431,766	-	-	476,744	431,766
Franchise taxes	3,707,501	3,478,762	-	-	3,707,501	3,478,762
Grants not restricted to specific programs	244,731	-	-	-	244,731	-
Investment earnings	5,003,403	557,805	695,755	39,457	5,699,158	597,262
Gain on disposal of fixed assets	36,490	38,418	14,550	800	51,040	39,218
Miscellaneous	620,800	3,947,215	30,849	-	651,649	3,947,215
Total revenues	75,807,642	78,372,540	27,623,034	24,935,882	103,430,676	103,308,422
Expenses						
General government	9,225,565	7,904,246	-	-	9,225,565	7,904,246
Public safety	34,798,633	31,768,864	-	-	34,798,633	31,768,864
Public works	7,707,628	2,971,779	-	-	7,707,628	2,971,779
Community service	12,346,000	18,801,873	-	-	12,346,000	18,801,873
Water and sewer services	-	-	22,761,091	21,594,363	22,761,091	21,594,363
Interest and fiscal charges	3,524,879	2,317,319	-	-	3,524,879	2,317,319
Total expenses	67,602,705	63,764,081	22,761,091	21,594,363	90,363,796	85,358,444
Increase in net position before transfers	8,204,937	14,608,459	4,861,943	3,341,519	13,066,880	17,949,978
Transfers	395,069	310,910	(395,069)	(310,910)	-	-
Change in net position	8,600,006	14,919,369	4,466,874	3,030,609	13,066,880	17,949,978
Net position, beginning of year	170,276,037	155,356,668	56,096,446	53,065,837	226,372,483	208,422,505
Net position, end of year	\$ 178,876,043	\$ 170,276,037	\$ 60,563,320	\$ 56,096,446	\$ 239,439,363	\$ 226,372,483

Governmental Activities - Governmental activities increased the City's net position by \$8,600,006 in comparison with the beginning of the year net position, which is due in large part to property taxes and investment earnings. There was a net decrease of \$2,564,898 or 3% in revenues over 2022 and an increase in governmental expenses by \$3,838,624 or 6%. The decrease in revenues is primarily due to a decrease in capital grants and contributions caused by less developer contributed assets and grants. The increase in expenses was largely related to a mid-year pay plan increase in public safety. Net position of governmental operations accounts for 75% of total net position.

Business-type Activities - Business-type activities increased the City's net position by \$4,466,874 in comparison with the beginning of the year net position. Total revenue increased by \$2,687,152 or 11%, which was due to an increase in charges for services. Business-type activity expenses before transfers have increased by \$1,166,728 or 5% due to increases in water costs as a result of decreased rainfall during the summer months. Transfers to other funds increased by \$84,159. Net position for business-type activities represents 25% of total primary government net position.

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Financial Analysis of the City's Funds

Government Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances were \$92,171,313. Of this amount, \$14,660,145 or 16% constitutes unassigned fund balance and is available for spending at the City's discretion. Fund balances restricted for specific purposes total \$60,781,773 or 66%, which are not available for new spending. Specific purposes include non-spendable inventories and prepaid items; amounts restricted by statutes, bond covenants or granting agencies either for debt service payments, grant related use, special taxing districts, or for capital projects. Fund balances committed by City Council total \$16,088,566 or 17% and can only be used for the purpose they are committed for and require formal action by City Council to spend. Assigned fund balance is \$640,829 or 1%.

The General Fund is the main operating fund of the City. The revenues of the General Fund totaled \$47,745,354 and the expenditures of the fund before other financing sources and users, totaled \$46,810,914 for an excess of revenues over expenditures amount of \$934,440. After other financing sources and uses in the General Fund (transfers), the change to fund balance was an increase of \$1,942,203. This increase was due to an increase in property, sales, and other tax revenue, license and permit fees, and charges for services. The City's ending fund balance of \$14,994,667 is 32% of operating expenditures and meets the City's policy initiative of 25% of operating expenditures.

The Debt Service Fund balance has decreased by \$57,971. This decrease was due to a decrease in taxes collected due to a slight shift downward in the interest and sinking fund tax rate for FY23.

The JPL Permanent Fund accounts for funds for the purpose of providing resources for the maintenance of the lake asset and the Joe Pool nature corridor. The change in fund balance for the year was an increase of \$740,460 mainly due to increases in fair market value of investments.

The Capital Projects Fund accounts for all bond funds used for infrastructure improvements and other investments in the City. The fund had revenues of \$2,881,450 from investment earnings and other government contributions during the fiscal year and incurred capital expenditures and fiscal charges totaling \$33,039,153. During fiscal year 2023, the City issued bonded debt obligations of \$19,295,000 to fund neighborhood and community parks, street reconstruction, drainage improvements, water and sewer lines and the public library.

The total fund balance of the Non-Major governmental funds increased by \$4,062,614. This increase is due to property taxes revenue for a new tax increment fund and expenditures budgeted less than revenue for the non-major governmental funds.

Proprietary Funds - The City has two proprietary fund types, a water and sewer (enterprise) fund and two internal service funds. The enterprise fund financial statements provide similar information found in the government-wide financial statements but includes more detail. The Enterprise Fund had operating income of \$3,787,516 at September 30, 2023. After other non-operating revenues and expenses, transfers and contributions, the net change in the net position of the City's enterprise fund was an increase of \$4,466,874. The unrestricted net position of the Enterprise fund at the end of the fiscal year is \$13,996,430 and are available for use. The restricted net position of the Enterprise Fund totaled \$1,715,616 and is to be used for construction activities and a portion are deposits held for customers.

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The Equipment Fund, an internal service fund, accounts for equipment purchased and leased to governmental funds. The Self-Insurance Fund, also an internal service fund and accounts for premiums received and health claims paid on behalf of city employees and retirees of the City. The net position of the combined Internal Service funds at the end of the fiscal year was \$6,954,348. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Highlights - Actual General Fund revenue received in comparison to the final budget was a positive variance of \$2,552,751. This positive variance is primarily due to property and other tax revenue, license fees and permits revenue, charges for services, and investment earnings exceeding budgeted expectations due to a strong economy and investments earning a higher interest rate. General Fund expenditures before transfers had a final budget to actual negative variance of \$1,009,498. The negative variance is primarily due to public safety and capital outlay expenditures as a result of implementation of a public safety plan and capital outlay for parks and recreation. The transfers to the General Fund were primarily administrative charges received from other funds.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities at fiscal year-end totaled \$259,856,338. The investment in capital assets includes land, buildings, equipment, improvements, construction-in-progress (CIP), water rights (Joe Pool Lake), improvements other than buildings (includes infrastructure), and leased and subscription assets. The change in capital assets for the primary government over the prior year increased by \$25,890,731.

Major capital assets additions as completed or in progress during the fiscal year 2023 included the following:

Completed

- Safe Routes
- Crawford Park Pool Replacement
- Downtown Infrastructure Improvement
- Cedar Hill Road Water Line Replacement Phase I
- Kingwood Park Improvement
- Cedar Wook Drainage
- Valley Ridge Field Lighting and Playground Improvement
- Joe Wilson Rd. Improvement at Hwy 67

In-Progress

- Windmill Hill Greenbelt Park, Crawford, and Bear Park Improvement
- Public Safety Dispatch and Radio Equipment Upgrade
- FM 1382 Phase I & II Hike and Bike Trail
- South Clark Road Trail
- HWY 67 Improvement in Partnership with TXDOT
- Sanitary Sewer Replacement on Hickerson Street
- Lakeridge Parkway/Hwy 67 Interchange Improvement
- Hotel Motel Conference Center
- Library in a Park and Signature Park
- MT. Lebanon Road Improvement
- Lorch Park Water and Sewer Line Replacement
- Cedar Hill Road Water Line Replacement Phase II

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022 *	2023	2022 *	2023	2022 *
Land	\$ 20,100,537	\$ 20,100,537	\$ 371,264	\$ 371,264	\$ 20,471,801	\$ 20,471,801
Construction in progress	42,830,992	27,081,794	2,377,754	3,687,405	45,208,746	30,769,199
Buildings	32,213,473	33,735,098	53,709	59,053	32,267,182	33,794,151
Water System	-	-	40,417,189	38,578,174	40,417,189	38,578,174
Sewer System	-	-	13,422,628	13,922,612	13,422,628	13,922,612
Equipment	5,319,406	5,267,474	1,208,386	1,260,819	6,527,792	6,528,293
Infrastructure	95,145,809	83,675,112	-	-	95,145,809	83,675,112
Water rights	5,587,637	6,077,066	-	-	5,587,637	6,077,066
Master studies	14,106	15,389	-	-	14,106	15,389
Leased equipment	28,112	133,810	-	-	28,112	133,810
Subscription assets	656,897	-	108,439	-	765,336	-
Total	\$ 201,896,969	\$ 176,086,280	\$ 57,959,369	\$ 57,879,327	\$ 259,856,338	\$ 233,965,607

* Fiscal year 2022 balances have not been restated for the implementation of GASB 96

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

Long-term debt - At September 30, 2023, the City had the following long-term liabilities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022 *	2023	2022 *	2023	2022 *
Gross bonded debt						
General obligation	\$ 62,705,000	\$ 51,900,000	\$ 2,350,000	\$ 3,025,000	\$ 65,055,000	\$ 54,925,000
General obligation-Direct placement	3,595,000	5,195,000	-	-	3,595,000	5,195,000
Certificates of obligation	28,305,000	25,840,000	17,250,000	14,850,000	45,555,000	40,690,000
Taxable Note	1,120,000	1,260,000	-	-	1,120,000	1,260,000
Taxable Note - Direct borrowing	2,210,000	2,780,000	-	-	2,210,000	2,780,000
Total bonded debt	97,935,000	86,975,000	19,600,000	17,875,000	117,535,000	104,850,000
Other long-term debt						
Unamortized premiums	6,463,005	5,547,266	1,213,209	1,086,247	7,676,214	6,633,513
Lease liabilities	28,730	135,272	-	-	28,730	135,272
Subscription assets	687,206	-	94,277	-	-	-
Compensated absences	6,540,354	5,962,668	531,841	531,184	7,072,195	6,493,852
OPEB liability - Retiree Health	953,576	1,448,855	144,847	220,079	-	-
OPEB liability - SDBP	791,211	1,220,375	92,001	123,842	883,212	1,344,217
Net pension liability	23,274,109	6,497,605	2,706,292	721,957	25,980,401	7,219,562
Total other long-term debt	38,738,191	20,812,041	4,782,467	2,683,309	41,640,752	21,826,416
Total	\$ 136,673,191	\$ 107,787,041	\$ 24,382,467	\$ 20,558,309	\$ 159,175,752	\$ 126,676,416

* Fiscal year 2022 balances have not been restated for GASB 96

The total bonded debt outstanding of the City is \$117,535,000, which is backed by the full faith and credit of the City with a property tax pledge.

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The total outstanding for the general government was \$97,935,000 in bonded debt while that of the business-type was \$19,600,000. Property taxes are levied annually to pay annual principal and interest payments. The City maintains solid self-supporting annual debt commitments from the City's Water and Sewer Fund, the Community Development Corporation and the Economic Development Corporation. The self-supported outstanding bonded indebtedness by these entities' totals \$26,440,000 or 23% of the total bonded debt of the primary government. The supporting entities are the Tri-City Animal Shelter, Economic Development Corporation, Community Development Corporation, the City's Enterprise Fund and the Hotel/Tourism Fund.

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

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

	Standard and Poor's	Moody's Investor Services
General Obligation Bonds	AA	Aa1
Certificates of Obligation	AA	Aa1

Component Units

Economic Development Corporation (EDC) - is a legally separate governmental entity that promotes (a) existing business enterprise expansion and retention, and (b) new business enterprise development. A one-eighth of one percent sales tax (\$.00375) is collected to support.

EDC operations. The EDC's net position at September 30, 2023 was \$15,225,442. The EDC decreased its net position by \$515,592 or 3% which is primarily attributable to sales tax.

The EDC's net investment in capital assets was \$3,641,700 with restricted assets of \$11,583,742. The restricted assets are available for permitted uses by the EDC Board of Directors. The EDC fund balance at September 30, 2023 was \$11,768,631. The EDC's total revenues were \$4,828,516 of which \$4,297,641 was from sales taxes. For the year, the EDC had expenditures of \$5,125,510, and of this amount, \$1,167,250 was contractually required payments to the City for debt service payments.

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

Community Development Corporation (CDC) - is a legally separate governmental entity tasked with bringing recreational, park facility development and tourism opportunities to the City. A one-half of one percent sales tax (\$.0050) supports the CDC's primary operations with supplements from fees and charges for recreational programs through the Alan E. Sims Recreation Center. The CDC's net position at September 30, 2023 was \$17,069,565. The CDC increased its net position by \$2,234,813 which primarily from sales tax and user charges.

The CDC's net investment in capital assets was \$4,635,905 with restricted assets of \$12,433,660. The restricted assets are available for permitted uses by the CDC Board of Directors. The CDC fund balance at September 30, 2023 was \$12,873,156. The CDC's total revenues were \$7,329,990 of which \$5,730,188 or 78% was from sales taxes. There were \$505,739 or 7% in revenue from fees supporting programs at the Alan E. Sims Recreation Center.

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For the year, the CDC had expenditures of \$5,143,569 and of this amount, \$939,319 or 18% was contractually required payments to the City for debt service payments and \$977,513 or 19% were capital related expenditures for park improvements, trail improvements (F.M.1382 & South Clark), Valley Ridge Playground improvements and equipment for park maintenance.

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

Economic Factors and Next Year's Budgets and Rates

The City has maintained an upward trending growth pattern stimulated by taxable values that continue to increase in the City as well as region. Residential and commercial development have increased which are leading indicators for healthy activities in single-family and multi-family residential as well as commercial/retail sectors. Valuation data for the region from the Dallas and Ellis County Appraisal Districts indicate taxable values will continue to increase.

The City is approximately 55% developed with commercial and residential projects on the horizon including four single-family residential projects and two major commercial projects that are currently under construction. Texas Health Resources has purchased land for a future full-service hospital with medical offices and it is also anticipated that multiple industrial projects will be constructed over the next five years with a total of 704,000 square feet of light industrial commercial buildings. Currently, approximately 71% of all completed industrial spec space is leased.

The City's first rental home community called The Cottages at Waterford was opened in the summer of 2023 and added 158 homes to the community. The first phase of the Stonehill development has been constructed which comprised an inventory of 207 lots. Also, in the last year, nearly 3.8 million square feet of commercial property has been constructed.

The City continues to implement long-range capital plans coordinated with a fiscally prudent bond program. Over the last year, the City completed and opened The Lagoon at Virginia Weaver park, an outdoor pool and lagoon, and will in the coming year open a Library, Museum and Signature Park. In addition, enhancements to neighborhood parks, asphalt and concrete street repairs, and water & sewer capital projects will continue throughout the City.

The City within its boundaries has a 150-acre rail served industrial park called Cedar Hill Business Park. The Cedar Hill Economic Development Corporation owns 10.3 acres that is suitable for industrial use in the business park and is marketed by the City to prospective industries. Businesses in the industrial park continue to thrive with healthy sales and expansion plans.

The City also envisions targeted business attraction that will reimagine historic downtown Cedar Hill. This vision will revitalize the historic downtown area with outdoor dining/entertainment, unique retailers, expansion of public art, and incorporate residential townhomes. This will also provide a conduit via parks and trails that will provide for easy access to government services in the Government Center and community services in the library & museum in the midtown area with a further connection to the uptown shopping and retail district at the outdoor mall Hillside Village.

City of Cedar Hill, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2023

Budget and Planning – The 2024 budget was developed to support the essential city services that citizens and customers rely on every day, and it advances the City Council's strategic priorities; Public Safety; Bond Implementation; Planning & Development; Communications; and Community Engagement and Neighborhood Revitalization. These priorities are the result of extensive and on-going community engagement as expressed through Cedar Hill's integrated network of strategic plans, community surveys, neighborhood walks, and citizen committees. Listed below are some factors considered by the City's elected and appointed officials when setting the fiscal year 2024 budget and tax rate:

- A 10.72% increase in assessed taxable property values resulting from appreciation of market and taxable values seen throughout the region and new construction of \$162.3 million
- Focus on City's financial policy objective of maintain a 25% fund balance (reserve) in the General Fund
- Provide for a significant increase in operating costs with the mid-year opening of the City's premier Library, Museum and Signature Park

The general fund's largest single revenue source is property taxes, followed by sales taxes. The property tax rate for Fiscal Year 2024 was adopted at \$0.646525 cents per \$100 valuation. The 2024 budgeted tax revenue increase was \$2,008,697 or 8% over fiscal year 2023 estimates.

The City's portion of the sales tax rate is \$0.01875, and the City has seen stable growth in its sales tax. The fiscal year 2024 budget includes a 9% increase in sales tax over fiscal year 2023 estimates. The City also has a voter approved Crime Control and Prevention District (CCPD) that receives one-eighth of a cent (\$.00125). This sales tax was approved by voters in November 2017 to continue for 15 years. The CCPD continues to prove successful in its efforts of crime control and prevention which advances the City Council's strategic priority of public safety.

The City expects conservative and stable revenue growth in other governmental activities due to expected growth in service requirements for public safety, parks and community services.

For fiscal year 2024, Utility Fund operating revenues are expected to increase by 2.3% over fiscal year 2023 revenue estimates and operating expenses by 7.6% over expense estimates. Total budgeted expenses for the utility fund are \$21,927,643 for fiscal year 2024, 67% of which are pass-through costs for wholesale water & wastewater treatment costs through the City's contract with Trinity River Authority. The Water and Sewer fund is expected to maintain a fund balance/working capital balance of 30% of operating expenditures which is within policy goals and initiatives.

For fiscal year 2024, new utility rates will go into effect. This will be the third year of a planned increase in utility rates as part of a rate study plan to implement a fixed rate charge based on the percentage of the American Water Works Association capacity ratio relative to meter size for non-residential customers and provide a senior discounted rate. After implementation of the recommended rate structure, the City of Cedar Hill will remain highly competitive with respect to rates compared to benchmark cities. Into the future, the City will continue to examine cost saving and revenue enhancement initiatives.

City of Cedar Hill, Texas
Management's Discussion and Analysis (Unaudited)
Year Ended September 30, 2023

Capital Planning Budget – The Capital Improvement Program (CIP) is a dynamic community planning and fiscal management tool used to coordinate the location, timing, and financing of capital improvements over a five-year horizon. The CIP is a working document and is reviewed and updated annually to reflect changing community needs, priorities, and funding opportunities to ensure that the infrastructure exists to advance the community's strategic and long-term goals and objectives. For fiscal year 2024, the City plans to issue \$11.3 million in bonds to fund various capital projects identified in the CIP including construction and improvement of streets, sidewalks, and related improvements, including drainage, landscaping, streetscaping, pedestrian seating, lighting, signage, improving the City's water and wastewater system, acquisition of public safety equipment, and drainage and flood control improvements.

Request for Information

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

Basic Financial Statements

City of Cedar Hill, Texas
Statement of Net Position
September 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation	Economic Development Corporation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Cash and cash equivalents	\$ 109,552,215	\$ 9,327,607	\$ 118,879,822	\$ 12,211,469	\$ 11,466,060
Investments	2,347,734	1,262,334	3,610,068	-	-
Receivables (net of allowances for uncollectible)	8,393,164	5,351,086	13,744,250	1,101,281	741,270
Lease receivable	2,449,697	-	2,449,697	-	-
Inventories	28,907	-	28,907	-	-
Prepays	64,126	-	64,126	-	5,000
Other assets	414,349	-	414,349	-	-
Restricted cash and cash equivalents	-	8,058,599	8,058,599	-	-
Restricted investments	-	4,293,832	4,293,832	-	-
Capital, lease and subscription assets:					
Capital assets not being depreciated	62,931,529	2,749,018	65,680,547	4,675,184	3,570,566
Capital assets, net of accumulated depreciation	138,280,431	55,101,912	193,382,343	-	71,134
Lease assets, net of amortization	28,112	-	28,112	-	-
Subscription assets, net of amortization	656,897	108,439	765,336	-	-
Total assets	325,147,161	86,252,827	411,399,988	17,987,934	15,854,030
Deferred Outflows of Resources					
Deferred loss on refunding	260,051	-	260,051	-	-
Deferred outflows of resources - Pension	13,431,750	1,561,832	14,993,582	468,550	156,183
Deferred outflows of resources - OPEB	544,159	75,925	620,084	38,058	11,191
Total deferred outflows of resources	14,235,960	1,637,757	15,873,717	506,608	167,374
Total assets and deferred outflows of resources	\$ 339,383,121	\$ 87,890,584	\$ 427,273,705	\$ 18,494,542	\$ 16,021,404

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation	Economic Development Corporation
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current Liabilities					
Accounts payable	\$ 4,895,043	\$ 1,175,809	\$ 6,070,852	\$ 99,597	\$ 420,651
Accrued liabilities	1,576,472	507,037	2,083,509	109,840	23,048
Unpaid claims payable	660,602	-	660,602	-	-
Retainage payable	1,297,718	50,652	1,348,370	39,279	-
Unearned revenue	10,964,110	-	10,964,110	114,867	-
Customer deposits	-	919,008	919,008	-	-
Accrued interest payable	943,127	129,380	1,072,507	-	-
Due within one year	13,567,192	2,308,316	15,875,508	59,271	25,233
Total current liabilities	33,904,264	5,090,202	38,994,466	422,854	468,932
Noncurrent Liabilities					
Due in more than one year	123,105,999	22,074,151	145,180,150	923,982	303,970
Total other liabilities	123,105,999	22,074,151	145,180,150	923,982	303,970
Total liabilities	157,010,263	27,164,353	184,174,616	1,346,836	772,902
Deferred Inflows of Resources					
Deferred gain on refunding	-	3,975	3,975	-	-
Deferred inflows of resources - leases	2,346,790	-	2,346,790	-	-
Deferred inflows of resources - Pension	28,562	3,321	31,883	996	332
Deferred inflows of resources - OPEB	1,121,463	155,615	1,277,078	77,145	22,728
Total deferred inflows of resources	3,496,815	162,911	3,659,726	78,141	23,060
Net Position					
Net investment in capital assets	113,589,648	44,851,274	158,440,922	4,635,905	3,641,700
Restricted:					
Debt service	1,574,629	-	1,574,629	-	-
Construction	11,724,093	1,715,616	13,439,709	-	-
Dispatch center	414,349	-	414,349	-	-
Other	11,334,256	-	11,334,256	12,433,660	11,583,742
JPL permanent fund:					
Nonexpendable	15,000,000	-	15,000,000	-	-
Expendable	5,151,321	-	5,151,321	-	-
Unrestricted	20,087,747	13,996,430	34,084,177	-	-
Total net position	178,876,043	60,563,320	239,439,363	17,069,565	15,225,442
Total liabilities, deferred inflows of resources and net position	\$ 339,383,121	\$ 87,890,584	\$ 427,273,705	\$ 18,494,542	\$ 16,021,404

City of Cedar Hill, Texas
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 9,225,565	\$ 444,491	\$ 2,129,869	\$ 10,570
Public works	7,707,628	285,858	1,246,984	1,079,610
Public safety	34,798,633	3,784,395	371,655	-
Community services	12,346,000	5,187,045	903,438	-
Interest and fiscal charges	3,524,879	-	-	-
Total governmental activities	67,602,705	9,701,789	4,651,946	1,090,180
Business-type Activities:				
Water and Sewer	22,761,091	25,865,260	-	1,016,620
Total business-type activities	22,761,091	25,865,260	-	1,016,620
Total primary government	\$ 90,363,796	\$ 35,567,049	\$ 4,651,946	\$ 2,106,800
Component units:				
Community Development Corporation	5,179,913	505,739	602,539	-
Economic Development Corporation	5,344,108	66,600	-	-
Total component units	\$ 10,524,021	\$ 572,339	\$ 602,539	\$ -
General Revenues:				
Taxes:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Grants not restricted to specific programs				
Investment earnings				
Sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Community Development Corporation	Economic Development Corporation
\$ (6,640,635)	\$ -	\$ (6,640,635)	\$ -	\$ -
(5,095,176)	-	(5,095,176)	-	-
(30,642,583)	-	(30,642,583)	-	-
(6,255,517)	-	(6,255,517)	-	-
(3,524,879)	-	(3,524,879)	-	-
<u>(52,158,790)</u>	<u>-</u>	<u>(52,158,790)</u>	<u>-</u>	<u>-</u>
-	4,120,789	4,120,789	-	-
-	4,120,789	4,120,789	-	-
<u>\$ (52,158,790)</u>	<u>\$ 4,120,789</u>	<u>\$ (48,038,001)</u>	<u>\$ -</u>	<u>\$ -</u>
			(4,071,635)	-
			-	(5,277,508)
			<u>\$ (4,071,635)</u>	<u>\$ (5,277,508)</u>
37,259,680	-	37,259,680	-	-
13,014,378	-	13,014,378	5,730,188	4,297,641
476,744	-	476,744	-	-
3,707,501	-	3,707,501	-	-
244,731	-	244,731	-	-
5,003,403	695,755	5,699,158	491,868	461,775
36,490	14,550	51,040	8,725	-
620,800	30,849	651,649	75,667	2,500
395,069	(395,069)	-	-	-
<u>60,758,796</u>	<u>346,085</u>	<u>61,104,881</u>	<u>6,306,448</u>	<u>4,761,916</u>
8,600,006	4,466,874	13,066,880	2,234,813	(515,592)
<u>170,276,037</u>	<u>56,096,446</u>	<u>226,372,483</u>	<u>14,834,752</u>	<u>15,741,034</u>
<u>\$ 178,876,043</u>	<u>\$ 60,563,320</u>	<u>\$ 239,439,363</u>	<u>\$ 17,069,565</u>	<u>\$ 15,225,442</u>

City of Cedar Hill, Texas
Balance Sheet
Governmental Funds
September 30, 2023

	General	Debt Service Fund	JPL Permanent Fund	Capital Projects Fund
Assets				
Cash, cash equivalents and investments	\$ 14,556,920	\$ 1,560,235	\$ 20,092,164	\$ 28,416,999
Receivables (net of allowances for uncollectible)	4,431,553	262,114	59,157	2,371,989
Lease receivable	2,449,697	-	-	-
Interfund loan receivable	-	-	-	-
Prepaid items	58,459	-	-	-
Inventories	28,907	-	-	-
Total assets	\$ 21,525,536	\$ 1,822,349	\$ 20,151,321	\$ 30,788,988
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 992,547	\$ -	\$ -	\$ 3,203,745
Accrued liabilities	1,448,604	-	-	3,297
Interfund loan payable	-	-	-	-
Retainage payable	-	-	-	1,284,391
Unearned revenue	-	-	-	-
Total liabilities	2,441,151	-	-	4,491,433
Deferred Inflows of Resources				
Unavailable revenue - property tax	697,086	247,720	-	-
Unavailable revenue - franchise	540,873	-	-	-
Unavailable revenue - ambulance	121,136	-	-	-
Unavailable revenue - court fines	114,493	-	-	-
Unavailable revenue - grants	208,946	-	-	2,065,423
Unavailable revenue - other	60,394	-	-	-
Lease related	2,346,790	-	-	-
Total deferred inflows of resources	4,089,718	247,720	-	2,065,423
Fund Balances				
Nonspendable for				
Prepays	87,366	-	-	-
JPL permanent fund	-	-	15,000,000	-
Restricted for				
General government	-	-	-	-
Public works	-	-	-	24,232,132
Public safety	-	-	-	-
Community services	-	-	-	-
Debt service	-	1,574,629	-	-
Committed for				
JPL nature corridor	-	-	5,151,321	-
Infrastructure	-	-	-	-
Facilities	-	-	-	-
Assigned	-	-	-	-
Unassigned	14,907,301	-	-	-
Total fund balances	14,994,667	1,574,629	20,151,321	24,232,132
Total liabilities, deferred inflows of resources and fund balances	\$ 21,525,536	\$ 1,822,349	\$ 20,151,321	\$ 30,788,988

<u>Grants Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 11,474,987	\$ 30,307,915	\$ 106,409,220
134,691	1,075,638	8,335,142
-	-	2,449,697
-	238,689	238,689
-	5,667	64,126
-	-	28,907
<u>\$ 11,609,678</u>	<u>\$ 31,627,909</u>	<u>\$ 117,525,781</u>
\$ 114,152	\$ 386,211	\$ 4,696,655
-	124,571	1,576,472
-	238,689	238,689
10,366	2,961	1,297,718
10,964,110	-	10,964,110
<u>11,088,628</u>	<u>752,432</u>	<u>18,773,644</u>
-	43,945	988,751
-	-	540,873
-	-	121,136
-	5,138	119,631
128,880	-	2,403,249
-	-	60,394
-	-	2,346,790
<u>128,880</u>	<u>49,083</u>	<u>6,580,824</u>
-	5,667	93,033
-	-	15,000,000
-	3,351,931	3,351,931
-	8,547,723	32,779,855
505,147	1,975,187	2,480,334
-	5,501,991	5,501,991
-	-	1,574,629
-	442,662	5,593,983
-	6,943,483	6,943,483
-	3,551,100	3,551,100
-	640,829	640,829
(112,977)	(134,179)	14,660,145
<u>392,170</u>	<u>30,826,394</u>	<u>92,171,313</u>
<u>\$ 11,609,678</u>	<u>\$ 31,627,909</u>	<u>\$ 117,525,781</u>



City of Cedar Hill, 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 balances - governmental funds	\$ 92,171,313
Capital and lease assets used in governmental activities are not financial resources and are therefore not reported in the funds (including internal service fund assets of \$2,264,587).	201,896,969
The regional dispatch center is not reported at the fund level.	414,349
Revenues earned but not available within sixty days of fiscal year-end are not recognized as revenue in the governmental funds financial statements.	4,234,034
Accrued interest on governmental activities debt is not reported in the funds until paid.	(943,127)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds are included with governmental activities. Amount represents net position excluding the capital assets included above.	4,689,761
Long-term liabilities, including related deferred outflows and deferred inflows, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of	
General obligation bonds	(66,300,000)
Certificates of obligation	(28,305,000)
Taxable notes	(3,330,000)
Lease liabilities	(28,730)
Subscription liabilities	(687,206)
Deferred loss on refunding	260,051
Unamortized premiums	(6,463,005)
Compensated absences	(6,540,354)
Total OPEB liability	(1,744,787)
Net pension liability	(23,274,109)
Deferred outflows of resources - pension	13,431,750
Deferred outflows of resources - OPEB	544,159
Deferred inflows of resources - pension	(28,562)
Deferred inflows of resources - OPEB	(1,121,463)
	<u>178,876,043</u>
Total net position - governmental activities	<u>\$ 178,876,043</u>

City of Cedar Hill, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	<u>General</u>	<u>Debt Service Fund</u>	<u>JPL Permanent Fund</u>	<u>Capital Projects Fund</u>
Revenues				
Taxes, penalties and interest	\$ 37,126,872	\$ 9,366,662	\$ -	\$ -
Franchise fees	3,572,434	-	-	-
License fees and permits	1,584,287	-	-	-
Intergovernmental	927,596	2,106,569	-	1,246,984
Charges for services	2,542,619	-	-	-
Fines and forfeitures	915,817	-	-	-
Investment earnings	761,327	120,342	740,460	1,621,814
Grants and donations	11,180	-	-	-
Miscellaneous	303,222	-	-	12,652
Total revenues	<u>47,745,354</u>	<u>11,593,573</u>	<u>740,460</u>	<u>2,881,450</u>
Expenditures				
Current:				
General government	6,671,435	-	-	-
Public works	2,577,776	-	-	-
Public safety	29,575,810	-	-	-
Community services	6,613,789	-	-	-
Debt service:				
Principal retirement	268,154	8,335,000	-	-
Interest and fiscal charges	1,700	3,316,544	-	-
Bond issuance costs	-	-	-	267,969
Capital outlay	1,102,250	-	-	32,771,184
Total expenditures	<u>46,810,914</u>	<u>11,651,544</u>	<u>-</u>	<u>33,039,153</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>934,440</u>	<u>(57,971)</u>	<u>740,460</u>	<u>(30,157,703)</u>
Other Financing Sources (Uses)				
Transfers in	645,069	-	-	-
Transfers out	(359,775)	-	-	-
Subscriptions issued	701,749	-	-	-
Premium on issuance of debt	-	-	-	1,572,536
Issuance of bonds	-	-	-	19,295,000
Sale of capital assets	20,720	-	-	-
Total other financing sources (uses)	<u>1,007,763</u>	<u>-</u>	<u>-</u>	<u>20,867,536</u>
Net Change in Fund Balances	1,942,203	(57,971)	740,460	(9,290,167)
Fund Balances, Beginning of Year	<u>13,052,464</u>	<u>1,632,600</u>	<u>19,410,861</u>	<u>33,522,299</u>
Fund Balances, End of Year	<u>\$ 14,994,667</u>	<u>\$ 1,574,629</u>	<u>\$ 20,151,321</u>	<u>\$ 24,232,132</u>

Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 4,038,429	\$ 50,531,963
-	67,513	3,639,947
-	-	1,584,287
392,356	32,907	4,706,412
-	4,287,431	6,830,050
-	147,836	1,063,653
457,492	1,112,533	4,813,968
-	66,647	77,827
-	1,384,536	1,700,410
<u>849,848</u>	<u>11,137,832</u>	<u>74,948,517</u>
244,731	-	6,916,166
-	-	2,577,776
13,998	2,552,293	32,142,101
31,715	4,251,252	10,896,756
-	133,939	8,737,093
-	-	3,318,244
-	-	267,969
253,396	247,509	34,374,339
<u>543,840</u>	<u>7,184,993</u>	<u>99,230,444</u>
<u>306,008</u>	<u>3,952,839</u>	<u>(24,281,927)</u>
-	359,775	1,004,844
-	(250,000)	(609,775)
-	-	701,749
-	-	1,572,536
-	-	19,295,000
-	-	20,720
<u>-</u>	<u>109,775</u>	<u>21,985,074</u>
306,008	4,062,614	(2,296,853)
<u>86,162</u>	<u>26,763,780</u>	<u>94,468,166</u>
<u>\$ 392,170</u>	<u>\$ 30,826,394</u>	<u>\$ 92,171,313</u>



City of Cedar Hill, Texas
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2023

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

Net change in fund balances - total governmental funds	\$ (2,296,853)
Change in revenues not considered available in the governmental funds.	(402,886)
This amount is the amount of governmental activities capital asset additions for the current period, \$35,424,773, less \$657,106 in contributed assets and \$393,328 of additions allocated from the internal service fund.	34,374,339
Depreciation/amortization on capital, lease, and subscription assets is reported in the Statement of Activities but does not require the use of current financial resources. Therefore, depreciation/amortization is not reported as expenditures in the governmental funds. This amount excludes \$903,123 of depreciation/amortization in the internal service fund.	(8,991,969)
Donation of property from the component units and internal service fund is not reported in the governmental funds. However, in the statement of activities, the fair value of those assets is recognized as revenue.	657,106
The net increase in equity of the regional dispatch center joint venture is not reported at the fund level; however, it is reported at the government-wide level.	378,979
The issuance of long-term debt (e.g. bonds, leases, subscription liabilities) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Issuance of long-term debt	(19,295,000)
Subscriptions issued	(701,749)
Premiums on issuance of long-term debt	(1,572,536)
Repayment on principal on long-term debt	8,335,000
Repayment on principal on leases	106,542
Repayment on principal on subscription liabilities	295,551
Amortization of:	
Premium on issuance of long-term debt	656,797
Loss on refunding	(86,793)
Current year change in accrued interest payable does not require the use of current financial resources; but it is reported as an expense in the government-wide statements.	(493,815)
Current year changes in certain long-term liabilities (do)/do not require the use of current financial resources and, therefore, are/(are not) reported as expenditures in governmental funds.	
Net Pension liability and related deferred outflows and inflows of resources	(1,748,888)
Total OPEB liability and related deferred outflows and inflows of resources	(45,089)
Compensated absences liability	(577,686)
The internal service fund is used by management to charge the costs of certain activities, such as fleet management, to individual funds. The change in net position of the internal service fund is reported with governmental activities.	8,956
Change in net position of governmental activities	<u>\$ 8,600,006</u>

City of Cedar Hill, Texas
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities - Enterprise Funds Water and Sewer Fund	Governmental Activities Internal Service Funds
Assets		
Current assets		
Cash and cash equivalents	\$ 9,327,607	\$ 5,490,729
Investments	1,262,334	-
Receivables (net, of allowance for uncollectibles):		
Accounts	5,323,378	58,022
Interest	27,708	-
Restricted assets:		
Customer deposits - cash and cash equivalents	919,008	-
Capital recovery fee funds - cash and cash equivalents	2,922,948	-
Pro rata funds - cash and cash equivalents	141,592	-
Bond proceeds - cash and cash equivalents	4,075,051	-
Bond proceeds - investments	4,293,832	-
Total current assets	<u>28,293,458</u>	<u>5,548,751</u>
Capital, lease and subscription assets		
Nondepreciable	2,749,018	-
Capital, lease and subscription assets, net	<u>55,210,351</u>	<u>2,264,587</u>
Total noncurrent assets	<u>57,959,369</u>	<u>2,264,587</u>
Total assets	<u>86,252,827</u>	<u>7,813,338</u>
Deferred Outflows of Resources		
Deferred outflows of resources - Pension	1,561,832	-
Deferred outflows of resources - OPEB	75,925	-
Total deferred outflows of resources	<u>1,637,757</u>	<u>-</u>

	Business-type Activities - Enterprise Funds Water and Sewer Fund	Governmental Activities Internal Service Funds
Liabilities		
Current liabilities		
Payable from current assets:		
Accounts and contracts payable	1,188,812	198,388
Accrued liabilities	494,034	-
Retainage payable	50,652	-
Unpaid claims liabilities	-	660,602
Compensated absences - current	386,328	-
Total payable from current assets	<u>2,119,826</u>	<u>858,990</u>
Payable from restricted assets:		
Accrued interest payable	129,380	-
Customer deposits	919,008	-
Bonds payable - current	1,877,149	-
Subscription liability - current	44,839	-
Total payable from restricted assets	<u>2,970,376</u>	<u>-</u>
Total current liabilities	<u>5,090,202</u>	<u>858,990</u>
Noncurrent liabilities		
Bonds payable, net	18,936,060	-
Compensated absences	145,513	-
Subscription liability	49,438	-
Net pension liability	2,706,292	-
Total OPEB liability	236,848	-
Total noncurrent liabilities	<u>22,074,151</u>	<u>-</u>
Total liabilities	<u>27,164,353</u>	<u>858,990</u>
Deferred Inflows of Resources		
Deferred gain on refunding	3,975	-
Deferred inflows of resources - Pension	3,321	-
Deferred inflows of resources - OPEB	155,615	-
Total deferred inflows of resources	<u>162,911</u>	<u>-</u>
Net Position		
Net investment in capital assets	44,851,274	2,087,285
Restricted for		
Construction	1,715,616	-
Unrestricted	13,996,430	4,867,063
Total net position	<u>\$ 60,563,320</u>	<u>\$ 6,954,348</u>



City of Cedar Hill, Texas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds Water and Sewer Fund	Governmental Activities Internal Service Funds
Operating Revenues		
Water sales	\$ 15,057,244	\$ -
Sewer charges	10,271,378	-
City and employee contributions	-	4,120,775
Miscellaneous revenue	561,866	1,287,500
Total operating revenues	<u>25,890,488</u>	<u>5,408,275</u>
Operating Expenses		
Sewage treatment	7,170,759	-
Purchase of water	4,843,273	-
Personnel services	3,835,570	-
Depreciation and amortization	2,156,245	903,123
Gross receipts fee	1,055,250	-
Heat, light and power	316,065	-
Repairs and maintenance	324,530	-
Contractual services	1,233,107	-
Materials and supplies	828,467	91,654
Claims paid and change in estimate	-	3,618,323
Administrative and fiscal services	-	875,179
Miscellaneous expense	339,706	116,245
Total operating expenses	<u>22,102,972</u>	<u>5,604,524</u>
Operating Income (Loss)	<u>3,787,516</u>	<u>(196,249)</u>
Nonoperating Revenues (Expenses)		
Investment income	695,755	189,435
Interest and fiscal charges	(652,498)	-
Gain on retirement of capital assets	14,550	15,770
Total nonoperating revenues (expenses)	<u>57,807</u>	<u>205,205</u>
Income Before Impact Fees and Transfers	3,845,323	8,956
Impact fees	1,016,620	-
Transfers out	(395,069)	-
Change in Net Position	4,466,874	8,956
Net Position, Beginning of Year	<u>56,096,446</u>	<u>6,945,392</u>
Net Position, End of Year	<u>\$ 60,563,320</u>	<u>\$ 6,954,348</u>

City of Cedar Hill, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-Type Activities - Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Cash Flows from Operating Activities		
Cash received from customers	\$ 25,284,345	\$ -
Cash received from interfund charges for services		1,320,308
Cash received from city and employee contributions	-	4,120,775
Cash received from the wellness program	-	107,558
Cash paid to suppliers	(15,869,373)	(91,654)
Cash paid to employees	(3,566,544)	-
Cash payments for claims	-	(3,304,951)
Cash paid for administrative and fiscal services	-	(991,424)
Net cash provided by operating activities	<u>5,848,428</u>	<u>1,160,612</u>
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	<u>(395,069)</u>	<u>-</u>
Net cash (used for) noncapital financing activities	<u>(395,069)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,795,576)	(393,328)
Proceeds from sales of assets	14,550	15,770
Contributions - impact fees	1,016,620	-
Proceeds from bond issuance including premiums	3,573,768	-
Principal paid on outstanding bonds and subscription liabilities	(1,707,825)	-
Interest paid on relating debt financing	<u>(745,393)</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>356,144</u>	<u>(377,558)</u>
Cash Flows from Investing Activities		
Interest received on investments	695,755	189,435
Net purchases of investment securities	<u>(3,607,928)</u>	<u>-</u>
Net cash provided by (used for) investing activities	<u>(2,912,173)</u>	<u>189,435</u>
Increase in Cash and Cash Equivalents	2,897,330	972,489
Cash and Cash Equivalents, Beginning of Year	<u>14,488,876</u>	<u>4,518,240</u>
Cash and Cash Equivalents, End of Year	<u>\$ 17,386,206</u>	<u>\$ 5,490,729</u>

City of Cedar Hill, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2023

	Business-Type Activities Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and cash equivalents	\$ 9,327,607	\$ 5,490,729
Restricted - customer deposits	919,008	-
Restricted - capital recovery fees funds-cash and cash equivalents	2,922,948	-
Restricted - pro rata funds-cash and cash equivalents	141,592	-
Restricted - bond proceeds-cash and cash equivalents	4,075,051	-
	<u>\$ 17,386,206</u>	<u>\$ 5,490,729</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 3,787,516	\$ (196,249)
Depreciation and amortization	2,156,245	903,123
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(635,952)	(58,022)
(Increase) decrease in prepaids	534	-
(Increase) decrease in deferred pension outflows	(974,529)	-
(Increase) decrease in deferred OPEB outflows	12,703	-
Increase (decrease) in accounts payable	241,250	198,388
Increase (decrease) in customer deposits	29,809	-
Increase (decrease) in deferred pension inflows	(764,473)	-
Increase (decrease) in deferred OPEB inflows	117,406	-
Increase (decrease) in compensated absences	657	-
Increase (decrease) in pension liabilities	1,984,335	-
Increase (decrease) in OPEB liabilities	(107,073)	-
Increase (decrease) in claims liabilities	-	313,372
	<u>\$ 5,848,428</u>	<u>\$ 1,160,612</u>
Schedule of Noncash Capital and Related Financing Activities:		
Accounts payable related to capital asset acquisitions	\$ 228,609	\$ 177,302
New subscription contracts	135,067	-

City of Cedar Hill, Texas
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2023

	<u>Pension Trust Fund</u>	<u>Police Reserves Benefit Fund</u>
Assets		
Cash and cash equivalents	\$ 421	
Investments	<u>84,333</u>	
Total assets		<u>84,754</u>
Net Position		
Net position restricted for pensions	<u>\$ 84,754</u>	

City of Cedar Hill, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2023

	<u>Pension Trust Fund</u>	<u>Police Reserves Benefit Fund</u>
Additions		
Investment income, net	\$ 10,016	
Total additions	<u>10,016</u>	
Deductions		
Benefits paid		<u>11,004</u>
Total deductions		<u>11,004</u>
Net Decrease in Net Position		(988)
Net Position Restricted Pensions, Beginning of Year		<u>85,742</u>
Net Position Restricted for Pensions, End of Year		<u><u>\$ 84,754</u></u>

Note 1. Summary of Significant Accounting Policies

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

The financial statements of the City have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These notes are organized to provide concise explanations, including required disclosures of budgetary matters, assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial activities for the fiscal year ended September 30, 2023. The significant accounting and reporting policies and practices used by the City are described below.

Reporting Entity

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

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

Government-Wide and Fund Financial Statements

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

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The City reports the following major governmental funds:

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

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

The City reports the following major proprietary fund:

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

Additionally, the City reports the following funds:

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise fund 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 non-operating revenues and expenses.

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

Deposits and Investments

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

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

The City pools substantially all cash and investments except for separate cash and investment accounts which are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments is included on the accompanying statement of net position and balance sheet under the caption "Cash, Cash Equivalents and Investments". Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City considers pricing provided by a pricing service at September 30, 2023, to be the fair value of investments. Interest earned on investments is recorded in the funds in which the investments are recorded.

Receivables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "interfund loans receivable/payable to/from other funds" (i.e., long term interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." There are no internal balances as of September 30, 2023.

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

Lease Receivable

The City is a lessor for noncancellable leases related to building space, land space and tower space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Inventories and Prepaid Items

Inventories are stated at specific identified costs and are recorded as expenditures when consumed rather than when purchased. Prepaid items are payments made by the City in the current year to provide services occurring in the subsequent fiscal year. A corresponding portion of fund balance is shown as nonexpendable in governmental funds to indicate it is not available for other subsequent expenditures. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

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

Capital Assets

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

Depreciation and amortization on capital assets is calculated on the straight-line basis over the following estimated useful lives:

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

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred loss on refunding – this deferred outflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Differences between expected and actual economic experience for the City's pension and OPEB plan – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the Statements of Net Position and/or balance sheet are as follows:

- Deferred gain on refunding – this deferred inflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Differences between expected and actual economic experience for the City's pension and OPEB plans – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Changes in actuarial assumptions and other inputs included in determining the OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

- Unavailable revenue – This arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property and franchise taxes, court fines and fees, ambulance billing, alarm permits, and intergovernmental revenues.

Compensated Absences

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

Unearned Revenues

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures.

Long-term Obligations

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

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

Lease Liability

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

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

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

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

Lease assets are reported with capital, lease, and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription Liability

The City contracts for noncancellable subscriptions of information technology software. The City recognizes a subscription liability and an intangible subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs.

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

- The City uses the interest rate charged by the subscription-based information technology arrangement (SBITA) vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Subscription assets are reported with capital, lease, and subscription assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due.

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Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Defined Benefit Other Postemployment Benefit Plans

The City has two single-employer defined benefit other postemployment benefit (OPEB) plans. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Allocation of OPEB related balances to reporting units is determined on the basis of employee payroll funding.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources of governmental and business-type activities and proprietary funds. The government-wide and proprietary fund financials utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This amount consists of capital, lease and subscription assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt, that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – This amount is restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover the gap between estimated revenue and appropriations in the subsequent year's 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.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Fund Balance and Net Position Flow Assumptions

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Minimum Fund Balance Policy

It is the policy of the City to achieve and maintain an unassigned fund balance in the General Fund of at least twenty-five percent of budgeted expenditures, a working capital of at least thirty-five percent of estimated expenditures for the Water and Sewer Fund, a fund balance in the Community Development Corporation Fund of twenty-five percent of budgeted revenues, a fund balance in the Economic Development Corporation Fund equal to fifteen percent of budgeted revenues and a fund balance in the Debt Service Fund equal to fifteen percent of budgeted expenditures.

Deficit Fund Balance

At September 30, 2023 the Winding Hollow PID had a deficit fund balance of \$134,179 due to an interfund loan (liability) for a capital expense to build a screening wall. The expense is to be reimbursed to the Nonmajor Government Fund (Street Construction Fund) by making annual payments over a fifteen (15) year period.

At September 30, 2023 the Grants fund had a deficit unassigned balance of \$112,977 due to incurring eligible expenditures that have not yet been reimbursed. The City anticipates reimbursement to occur in the following fiscal year.

City of Cedar Hill, Texas
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Other Restricted Net Position

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

	<u>Restricted for Other</u>
General government	\$ 317,921
Police forfeiture	326,103
Hotel Occupancy	1,201,218
Municipal court	85,810
Library	11,888
Grant funds	505,147
PID	1,799,888
PEG	824,184
Crime control	1,140,716
Animal shelter	402,645
Fire training	19,913
Landscape	2,281,233
TIF	2,209,826
Park	<u>207,764</u>
Total	<u>\$ 11,334,256</u>

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that effect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

Adoption of New Accounting Standards

During fiscal year 2023, the City adopted the following GASB standards:

GASB Statement No. 91, *Conduit Debt Obligations*. This standard clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This standard provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The adoption of this standard had no impact on the City.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. The adoption of this standard had no impact on the City.

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GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a single model for subscription-based information technology arrangements (SBITAs) accounting based on the principle that contracts are financings of the right to use an underlying information technology software asset. The standard requires recognition of certain right-to-use subscription assets and subscription liabilities.

As a result of implementing this standard the City recognized right-to-use subscription assets and liabilities. The adoption of this standard had no impact on beginning net position. The additional disclosures required by this standard are included in *Note 4* and *Note 6*.

Future Financial Reporting Requirements

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2023. The City will evaluate the potential impact on the City's net position.

Statement No.	Title	Adoption Required
100	<i>Accounting Changes and Error Corrections</i>	September 30, 2024
101	<i>Compensated Absences</i>	September 30, 2025
102	<i>Certain Risk Disclosures</i>	September 30, 2025

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Note 2. Deposits And Investments

Included in the statement of net position and the statement of fiduciary net position are cash and investments totaling \$126,938,842, excluding the discretely presented component units, which are disclosed below.

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
City: Cash	\$ 40,636,205	\$ 40,636,205	\$ -	\$ -
Certificates of deposit	57,238,986	50,876,807	6,362,179	-
Investment pools	29,063,230	29,063,230	-	-
Total cash and cash equivalents	\$ 126,938,421	\$ 120,576,242	\$ 6,362,179	\$ -
City Investments:				
US Treasury Obligations	5,925,240	5,925,240	-	-
US Agency Obligations	1,978,660	1,978,660	-	-
Total investments	7,903,900	7,903,900	-	-
	\$ 134,842,321	\$ 128,480,142	\$ 6,362,179	\$ -
Pension Trust Fund:				
Cash	\$ 421	\$ 421	\$ -	\$ -
Equities	84,333	84,333	-	-
Total cash, cash equivalents and investments	\$ 84,754	\$ 84,754	\$ -	\$ -

Fair Value Measurements

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

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

At September 30, 2023, the City had the following recurring fair value measurements:

	September 30, 2023	Inputs			Weighted Average Maturity (days)
		Level 1	Level 2	Level 3	
Investments by fair value level					
US Treasury obligations	5,925,240	5,925,240	-	-	391
US Agency obligations	1,978,660	-	1,978,660	-	260
Total Investments by fair value level - City	7,903,900	5,925,240	1,978,660	-	
Pension Trust Fund:					
Equities	\$ 84,333	\$ -	\$ 84,333	\$ -	

Custodial Credit Risk-Deposits

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

At year end, the carrying amount of the City's deposits with financial institutions was \$126,938,421 and the bank balance was \$134,100,946. The financial institution balances were completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Custodial Credit Risk-Investments

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

Credit Risk

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

In compliance with the City's Investment Policy, the City minimizes credit risk, the risk of losses due to default of the issuer and concentration risk, the risk of loss attributed to the magnitude of investment in a single issuer by limiting investments to the safest types of issuers, prequalifying financial institutions, brokers and dealers and by diversifying the investment portfolio so that potential losses on individual issuers will be minimized. All of the City's purchased investments in U.S. Agencies were rated as AA+ by Standard and Poor's and Aaa by Moody's. The City's investments are diversified and there are no significant investments in any one organization other than obligations guaranteed by the United States Government.

The City's cash and short-term investments consist of demand deposits, certificates of deposits, and authorized pools approved by the City Council. Operating cash balances from each fund are consolidated in pooled cash and investment accounts. Capital project funds and other funds in excess of short-term operating needs are invested in U.S. Treasury securities, U.S. Government Agency securities, collateralized certificates of deposits, collateralized money market mutual funds and investment pools approved by the City Council. Investments are recorded at fair value and interest earnings are allocated to each fund based on the actual participation of that fund.

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Interest Rate Risk

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

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

Investment in Local Government Investment Pools

The City invested in LOGIC Investment Pool. LOGIC is administered by Hilltop Securities Inc. and JPMorgan Chase. LOGIC is rated AAAM by Standards and Poor. It is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The pool’s investments are not evidenced by securities that exist in physical or book entry form and, accordingly do not have custodial risk. LOGIC is carried at net asset value.

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

Economic Development Corporation

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Corporation-cash	\$ 2,195,933	\$ 2,195,933	\$ -	\$ -
Certificates of deposit	9,270,127	9,270,127	-	-
Total cash and investments- corporation	<u>\$ 11,466,060</u>	<u>\$ 11,466,060</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investments- corporation	<u>\$ 11,466,060</u>	<u>\$ 11,466,060</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the EDC’s bank balance and cash on hand was \$2,195,933, which is included in the City’s pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City’s agent in the City’s name.

City of Cedar Hill, Texas
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Community Development Corporation

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Corporation-cash	\$ 4,970,707	\$ 4,970,707	\$ -	\$ -
Certificates of deposit	<u>7,240,762</u>	<u>7,240,762</u>	<u>-</u>	<u>-</u>
Total cash and investments- corporation	<u>\$ 12,211,469</u>	<u>\$ 12,211,469</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investments- corporation	<u>\$ 12,211,469</u>	<u>\$ 12,211,469</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the CDC's bank balance and cash on hand was \$4,970,707, which is included in the City's pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

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Notes to Financial Statements
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Note 3. Receivables

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

	General	Debt Service	JPL Permanent	Capital Projects	Grant Funds	Water and Sewer	Internal Service	Nonmajor and Other Funds	Total
Receivables									
Taxes/other	\$ 2,936,147	\$ 376,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,028	\$ 3,592,791
Franchise	677,217	-	-	-	-	-	-	15,720	692,937
Grant	362,499	-	-	2,065,423	134,691	-	-	-	2,562,613
Lease	2,449,697	-	-	-	-	-	-	-	2,449,697
Interest	-	-	59,157	-	-	27,708	-	-	86,865
Miscellaneous	3,348,909	-	-	306,566	-	6,804,489	58,022	877,583	11,395,569
Gross receivables	9,774,469	376,616	59,157	2,371,989	134,691	6,832,197	58,022	1,173,331	20,780,472
Less: allowance for uncollectible	(2,893,219)	(114,502)	-	-	-	(1,481,111)	-	(97,693)	(4,586,525)
Net total receivables	<u>\$ 6,881,250</u>	<u>\$ 262,114</u>	<u>\$ 59,157</u>	<u>\$ 2,371,989</u>	<u>\$ 134,691</u>	<u>\$ 5,351,086</u>	<u>\$ 58,022</u>	<u>\$ 1,075,638</u>	<u>\$ 16,193,947</u>

The General Fund miscellaneous receivable category primarily consists of billed emergency medical services and court fines and fees. The Water and Sewer Fund accounts receivable balance includes unbilled charges for services rendered of \$3,516,273 at September 30, 2023. The Capital Project Fund includes an amount earned on a capital project and due from Dallas County through a grant agreement for Highway 67 landscaping improvements. Also included in the Capital Project Fund is an amount earned on a capital project and due from Texas Department of Transportation through a project agreement for Safe Routes to Schools.

Lease Receivable

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire 2026 through 2049. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized \$168,875 in lease revenue and \$76,229 in interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the City's receivable for lease payments was \$2,449,697. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2023, the balance of the deferred inflow of resources was \$2,346,790.

City of Cedar Hill, Texas
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The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2023:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2024	\$ 126,632	\$ 72,800	\$ 199,432
2025	130,906	69,225	200,131
2026	117,942	65,612	183,554
2027	95,319	62,547	157,866
2028	100,021	59,502	159,523
2029-2033	596,061	245,206	841,267
2034-2038	621,384	143,529	764,913
2039-2043	345,728	71,061	416,789
2044-2048	274,734	27,766	302,500
2049	40,970	361	41,331
Total	<u>\$ 2,449,697</u>	<u>\$ 817,248</u>	<u>\$ 3,225,975</u>

City of Cedar Hill, Texas
Notes to Financial Statements
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Note 4. Capital, Lease and Subscription Assets

Capital, lease and subscription asset activity for the year ended September 30, 2023 was as follows:

Primary Government

	<u>Beginning Balance *</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets					
not being depreciated					
Land	\$ 20,100,537	\$ -	\$ -	\$ -	\$ 20,100,537
Construction in progress	27,081,794	33,356,450	-	(17,607,252)	42,830,992
Total capital assets not depreciated	<u>47,182,331</u>	<u>33,356,450</u>	<u>-</u>	<u>(17,607,252)</u>	<u>62,931,529</u>
Capital, lease and subscription assets					
being depreciated/amortized					
Buildings/facilities	67,083,707	180,036	-	567,630	67,831,373
Equipment	17,522,115	1,173,558	(188,599)	391,156	18,898,230
Infrastructure	177,619,808	12,980	-	16,648,466	194,281,254
Water rights	26,284,063	-	-	-	26,284,063
Master studies	393,172	-	-	-	393,172
Lease equipment	239,508	-	-	-	239,508
Subscription assets	281,008	701,749	-	-	982,757
Total capital, lease and subscription assets being depreciated/amortized	<u>289,423,381</u>	<u>2,068,323</u>	<u>(188,599)</u>	<u>17,607,252</u>	<u>308,910,357</u>
Less accumulated depreciation/amortization					
Buildings/facilities	(33,348,609)	(2,269,291)	-	-	(35,617,900)
Equipment	(12,254,641)	(1,512,782)	188,599	-	(13,578,824)
Infrastructure	(93,944,696)	(5,190,749)	-	-	(99,135,445)
Water rights	(20,206,997)	(489,429)	-	-	(20,696,426)
Master studies	(377,783)	(1,283)	-	-	(379,066)
Lease equipment	(105,698)	(105,698)	-	-	(211,396)
Subscription assets	-	(325,860)	-	-	(325,860)
Total accumulated depreciation/amortization	<u>(160,238,424)</u>	<u>(9,895,092)</u>	<u>188,599</u>	<u>-</u>	<u>(169,944,917)</u>
Total capital, lease and subscription assets being depreciated/amortized, net	<u>129,184,957</u>	<u>(7,826,769)</u>	<u>-</u>	<u>17,607,252</u>	<u>138,965,440</u>
Governmental activities					
Capital, lease and subscription assets, net	<u>\$ 176,367,288</u>	<u>\$ 25,529,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,896,969</u>

* Beginning Balance amounts have been restated for GASB 96

Internal service fund capital assets of \$2,264,587 are included in the governmental activities capital assets.

City of Cedar Hill, Texas
Notes to Financial Statements
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	Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Land	\$ 371,264	\$ -	\$ -	\$ -	\$ 371,264
Construction in progress	3,687,405	1,745,153	-	(3,054,804)	2,377,754
Total capital assets not depreciated	4,058,669	1,745,153	-	(3,054,804)	2,749,018
Capital and subscription assets being depreciated/amortized					
Buildings/facilities	666,491	-	-	-	666,491
Water systems	60,459,933	-	-	3,054,804	63,514,737
Sewer systems	25,276,337	-	-	-	25,276,337
Equipment	4,419,396	279,032	(82,244)	-	4,616,184
Master studies	176,244	-	-	-	176,244
Subscription assets	77,035	135,067	-	-	212,102
Total capital and subscription assets being depreciated	91,075,436	414,099	(82,244)	3,054,804	94,462,095
Less accumulated depreciation/amortization for					
Buildings/facilities	(607,438)	(5,344)	-	-	(612,782)
Water systems	(21,881,759)	(1,215,789)	-	-	(23,097,548)
Sewer systems	(11,353,725)	(499,984)	-	-	(11,853,709)
Equipment	(3,158,577)	(331,465)	82,244	-	(3,407,798)
Master studies	(176,244)	-	-	-	(176,244)
Subscription assets	-	(103,663)	-	-	(103,663)
Total accumulated depreciation/amortization	(37,177,743)	(2,156,245)	82,244	-	(39,251,744)
Total capital and subscription assets being depreciated/amortized, net	53,897,693	(1,742,146)	-	3,054,804	55,210,351
Business-type activities Capital and subscription assets, net	<u>\$ 57,956,362</u>	<u>\$ 3,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,959,369</u>

* Beginning Balance amounts have been restated for GASB 96

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

Governmental activities	
General government	\$ 1,288,457
Public works	5,059,896
Public safety	1,351,661
Community service	1,291,956
Equipment internal service fund	903,123
Total depreciation and amortization expense - governmental activities	<u>\$ 9,895,092</u>
Business-type activities - water and sewer	<u>\$ 2,156,245</u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Discretely Presented Component Units

Activity for the Economic Development Corporation (EDC) for the year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Contributions to the City</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Land	\$ 3,570,566	\$ -	\$ -	\$ -	\$ 3,570,566
Total capital assets not being depreciated	<u>3,570,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,570,566</u>
Capital assets being depreciated					
Leasehold improvements	116,057	-	-	-	116,057
Total capital assets being depreciated	<u>116,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,057</u>
Less accumulated depreciation for Leasehold improvements	<u>(41,198)</u>	<u>(3,725)</u>	<u>-</u>	<u>-</u>	<u>(44,923)</u>
Total accumulated depreciation	<u>(41,198)</u>	<u>(3,725)</u>	<u>-</u>	<u>-</u>	<u>(44,923)</u>
Total capital assets being depreciated, net	<u>74,859</u>	<u>(3,725)</u>	<u>-</u>	<u>-</u>	<u>71,134</u>
EDC capital assets, net	<u>\$ 3,645,425</u>	<u>\$ (3,725)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,641,700</u>

Activity for the Community Development Corporation (CDC) for the year ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Contributions to the City</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Construction in progress	\$ 4,344,207	\$ 977,513	\$ -	\$ (646,536)	\$ 4,675,184
Total capital assets not being depreciated	<u>4,344,207</u>	<u>977,513</u>	<u>-</u>	<u>(646,536)</u>	<u>4,675,184</u>
CDC capital assets, net	<u>\$ 4,344,207</u>	<u>\$ 977,513</u>	<u>\$ -</u>	<u>\$ (646,536)</u>	<u>\$ 4,675,184</u>

CDC capital assets are contributed to the City when completed.

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Note 5. Interfund Receivables, Payables, and Transfers

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and for cost allocations and other operational costs as determined by the City's annual budget. The transfer activity for the year ended September 30, 2023 is presented in the following schedule:

Transfers in	Transfers Out			Total
	General Fund	Nonmajor Funds	Enterprise Funds	
Primary government				
Governmental activities				
General fund	\$ -	\$ 250,000	\$ 395,069	\$ 645,069
Nonmajor governmental funds	359,775	-	-	359,775
Total	<u>\$ 359,775</u>	<u>\$ 250,000</u>	<u>\$ 395,069</u>	<u>\$ 1,004,844</u>

The transfers from the General Fund to Nonmajor Funds include payment of the City's annual share of debt to support Animal Shelter operations and the transfer of set aside funds for building, street construction, and drainage improvements.

Transfers were made from Nonmajor Funds to the General Fund for support of services relating to rights-of-way mowing and litter control.

The transfer from the Enterprise Fund to the General Fund is for information technology support and rights-of-way mowing and litter control provided for by the General Fund resources.

Interfund Receivable / Payable

In 2019, a "Memorandum of Understanding" was entered into by and between the City of Cedar Hill and the Board of Directors of the Cedar Hill Public Improvement District No. 3, Winding Hollow (PID No. 3) to replace a screening wall adjacent to Joe Wilson Road. The final cost of replacement was \$356,689. The cost of the screening wall replacement is to be financed through assessments on all properties within the boundaries of PID No. 3. The assessments shall be collected and annual payments to the City shall be budgeted by the PID No. 3 Board and included in their five (5) year budget. The reimbursement from the assessments shall be made to the City's Street Construction fund in fifteen (15) annual payments which commenced on June 1, 2019 at 0% interest rate. Remaining payments are as follows:

Years	Payment	Total
2024 - 2032	\$ 24,500	\$ 220,500
2033	18,189	18,189
		<u>\$ 238,689</u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Note 6. Long-Term Obligations

Changes in Long-Term Liabilities

The following is a summary of transactions affecting long-term liabilities for the year ended September 30, 2023:

	<u>Beginning Balance *</u>	<u>Increases</u>	<u>Retirements/ Refundings</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds	\$ 51,900,000	\$ 15,760,000	\$ (4,955,000)	\$ 62,705,000	\$ 5,575,000
General obligation bonds					
Direct placement	5,195,000	-	(1,600,000)	3,595,000	1,110,000
Certificates of obligation	25,840,000	3,535,000	(1,070,000)	28,305,000	1,290,000
Taxable Note	1,260,000	-	(140,000)	1,120,000	165,000
Taxable Note					
Direct borrowing	2,780,000	-	(570,000)	2,210,000	575,000
Total bonds payable	<u>86,975,000</u>	<u>19,295,000</u>	<u>(8,335,000)</u>	<u>97,935,000</u>	<u>8,715,000</u>
Unamortized premiums	5,547,266	1,572,536	(656,797)	6,463,005	621,539
Lease liabilities	135,272	-	(106,542)	28,730	28,730
Subscription liabilities	281,008	701,749	(295,551)	687,206	293,171
Compensated absences	5,962,668	5,190,058	(4,612,372)	6,540,354	3,908,752
OPEB liability - Health care	1,448,855	-	(495,279)	953,576	-
OPEB liability - SDBF	1,220,375	-	(429,164)	791,211	-
Net pension liability	6,497,605	16,776,504	-	23,274,109	-
Total governmental long-term liabilities	<u>108,068,049</u>	<u>43,535,847</u>	<u>(14,930,705)</u>	<u>136,673,191</u>	<u>13,567,192</u>
Business-type activities					
General obligation bonds payable	3,025,000	-	(675,000)	2,350,000	715,000
Certificates of obligation bonds payable	14,850,000	3,315,000	(915,000)	17,250,000	1,040,000
Unamortized premiums	1,086,247	258,768	(131,806)	1,213,209	122,149
Subscription liabilities	77,035	135,067	(117,825)	94,277	44,839
Compensated absences	531,184	446,476	(445,819)	531,841	386,328
OPEB liability - Health care	220,079	-	(75,232)	144,847	-
OPEB liability - SDBF	123,842	-	(31,841)	92,001	-
Net pension liability	721,957	1,984,335	-	2,706,292	-
Total business-type long-term liabilities	<u>20,635,344</u>	<u>6,139,646</u>	<u>(2,392,523)</u>	<u>24,382,467</u>	<u>2,308,316</u>
Total primary government long-term liabilities	<u>\$ 128,703,393</u>	<u>\$ 49,675,493</u>	<u>\$ (17,323,228)</u>	<u>\$ 161,055,658</u>	<u>\$ 15,875,508</u>

* Beginning Balance amounts have been restated for GASB 96

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

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

In fiscal year 2023, the City issued \$15,760,000 of general obligation bonds, series 2023 on March 28, 2023, with a premium of \$1,296,153 bearing interest rates ranging from 4.0% to 5.0%. The certificates will be used for (i) constructing, reconstructing, improving, repairing, extending and enhancing streets, thoroughfares, alleys, sidewalks, bridges, intersections and other public ways, including traffic signalization and monitoring equipment, street lighting, noise abatements, necessary and related storm drainage facilities and improvements and the acquisition of needed land, easements, or rights-of-way therefor; (ii) designing, acquiring, constructing, purchasing, renovating, improving, enlarging and equipping library facilities and the acquisition of needed land easements or rights-of-way therefor; (iii) acquiring, constructing, improving, expanding, renovating, developing and equipping parks and recreation facilities, and the acquisition of needed land, easements, or rights-of-way therefor, and (iv) paying the costs of issuance in connection with issuing the Bonds.

The City also issued \$6,850,000 of combination tax and revenue certificates of obligation, series 2023 on March 28, 2023, with a premium of \$535,151, bearing interest rates ranging from 4.0% to 5.0%. The certificates will be used for (i) construction and improvement of streets, sidewalks, and related improvements, including drainage, landscaping, streetscaping, pedestrian seating, lighting, signage, off street parking and traffic signalization incidental thereto, and the acquisition of land and rights-of-way therefor, (ii) constructing and improving the City's Water and Wastewater System, including the acquisition of land therefor, (iii) drainage and flood control improvements, including the acquisition of land and rights-of-way therefor, and (iv) paying the cost of professional services rendered in connection with issuing the Certificates.

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

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

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

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

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

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

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

General Long-Term Liabilities

General obligation bonds, certificates of obligation and the taxable note outstanding at September 30, 2023, consist of the following individual issues:

	Interest Rates	Balance September 30, 2023
General obligation bonds		
Governmental activities		
\$6,040,000; 2013 General Obligation Refunding Bonds, due Feb.15, 2028 <i>(Split 79% to 21% between governmental and business-type activities)</i>	2.00%-4.00%	\$ 1,635,000
\$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb.15,2035 <i>(Split 93% to 7% between governmental and business-type activities)</i>	.5%-3.51%	9,365,000
\$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb.15,2028 <i>(Split 82.4% to 17.6% between governmental and business-type activities)</i>	3.00%-5%	8,020,000
\$4,135,000; 2018 General Obligation Bonds, due February 15, 2038	3.00%-3.50%	3,360,000
\$8,965,000; 2019 General Obligation Bonds, due February 15, 2039	3.00%-5.00%	7,710,000
\$9,610,000; 2020 General Obligation Bonds, due February 15, 2040	2.50%-5.00%	8,670,000
\$8,600,000; 2021 General Obligation Bonds-Direct placement, due February 15, 2040	2.50%-5.00%	3,595,000
\$8,355,000; 2022 General Obligation Bonds due February 15, 2042	3.00%-5.00%	8,185,000
\$15,760,000; 2023 General Obligation Bonds due February 15, 2043	4.00%-5.00%	15,760,000
Total governmental activities - general obligation bonds		\$ 66,300,000
Business-type activities		
6,040,000; 2013 General Obligation Refunding Bonds, due Feb.15,2024 <i>(Split 79% to 21% between governmental and business-type activities)</i>	2.00%-4.00%	\$ 200,000
\$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb.15,2035 <i>(Split 93% to 7% between governmental and business-type activities)</i>	.5%-3.51%	585,000
\$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb.15,2028 <i>(Split 82.4% to 17.6% between governmental and business-type activities)</i>	3.00%-5%	1,565,000
Total business-type activities - general obligation bonds		\$ 2,350,000
Total general obligation bonds		\$ 68,650,000

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

	<u>Interest Rates</u>	<u>Balance September 30, 2023</u>
Certificate of obligation bonds		
Governmental activities		
\$2,065,000; 2013 Certificates of Obligation, due February 15, 2022	2.00%-3.00%	785,000
\$1,730,000; 2015 Certificates of Obligation, due February 15, 2029 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.00%-4.00%	500,000
\$5,620,000; 2018 Certificates of Obligation, due February 15, 2038 <i>(Split 58.72% to 41.28% between governmental and business-type activities)</i>	3.00%-4.00%	2,705,000
\$5,515,000; 2019 Certificates of Obligation, due February 15, 2034 <i>(Split 32% to 68% between governmental and business-type activities)</i>	3.00%-5.00%	1,410,000
\$7,360,000; 2019 Tax Taxable Certificates of Obligation, due February 15, 2044	3.00%-4.00%	6,745,000
\$7,720,000; 2020 Certificates of Obligations, due February 15, 2040 <i>(Split 67.33% to 32.67% between governmental and business-type activities)</i>	2.50%-5.00%	4,530,000
\$11,210,000; 2022 Certificates of Obligation, due February 15, 2042 <i>(Split 73.68% to 26.32% between governmental and business-type activities)</i>	3.00%-5.00%	8,095,000
\$6,850,000; 2023 Certificates of Obligation, due February 15, 2043 <i>(Split 51.61% to 48.39% between governmental and business-type activities)</i>	4.00%-5.00%	<u>3,535,000</u>
Total governmental activities		<u>\$ 28,305,000</u>
Business-type activities		
\$6,235,000; 2014 Certificates of Obligation, due February 15, 2029	2.75%-3.75%	3,200,000
\$1,730,000; 2015 Certificates of Obligation, due February 15, 2029 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.00%-4.00%	430,000
\$5,620,000; 2018 Certificates of Obligation, due February 15, 2038 <i>(Split 58.72% to 41.28% between governmental and business-type activities)</i>	3.00%-4.00%	1,905,000
\$5,515,000; 2019 Certificates of Obligation, due February 15, 2039 <i>(Split 32% to 68% between governmental and business-type activities)</i>	3.00%-5.00%	3,220,000
\$7,720,000; 2020 Certificates of Obligation, due February 15, 2040 <i>(Split 67.33% to 32.67% between governmental and business-type activities)</i>	2.50%-5.00%	2,290,000
\$11,210,000; 2022 Certificates of Obligation, due February 15, 2042 <i>(Split 73.68% to 26.32% between governmental and business-type activities)</i>	3.00%-5.00%	2,890,000
\$6,850,000; 2023 Certificates of Obligation, due February 15, 2043 <i>(Split 51.61% to 48.39% between governmental and business-type activities)</i>	4.00%-5.00%	<u>\$ 3,315,000</u>
Total business-type activities		<u>\$ 17,250,000</u>
Total certificate of obligation bonds		<u><u>\$ 45,555,000</u></u>
Taxable Notes		
Governmental activities		
\$3,345,000; 2021 Taxable Note, due February 15, 2027		\$ 2,210,000
\$1,260,000; 2022 Taxable Note, due February 15, 2029		<u>1,120,000</u>
Total taxable notes		<u><u>\$ 3,330,000</u></u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Annual requirements to amortize the long-term debt as of September 30, 2023 are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Bonds		Certificates of Obligation		Taxable Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 5,575,000	\$ 2,675,873	\$ 1,290,000	\$ 1,119,119	\$ 165,000	\$ 51,875
2025	6,030,000	2,220,600	1,400,000	1,015,291	175,000	43,375
2026	5,430,000	13,125	1,450,000	963,179	180,000	34,500
2027	4,015,000	1,789,500	1,505,000	911,516	190,000	25,250
2028	3,455,000	2,646	1,570,000	853,791	200,000	15,500
2029 - 2033	13,575,000	6,537,563	7,150,000	3,382,988	210,000	5,250
2034 - 2038	14,920,000	3,436,313	7,455,000	1,976,736	-	-
2039 - 2043	9,705,000	808,613	6,045,000	627,010	-	-
2044	-	-	440,000	15,840	-	-
Total	<u>\$ 62,705,000</u>	<u>\$ 17,484,233</u>	<u>\$ 28,305,000</u>	<u>\$ 10,865,470</u>	<u>\$ 1,120,000</u>	<u>\$ 175,750</u>

Year Ending September 30,	Governmental Activities - Direct Placements and Borrowings			
	General Obligation Bonds		Taxable Note	
	Principal	Interest	Principal	Interest
2024	\$ 1,110,000	\$ 25,536	\$ 575,000	\$ 20,955
2025	615,000	18,291	580,000	14,661
2026	615,000	13,125	525,000	8,638
2027	625,000	7,917	530,000	2,889
2028	630,000	2,646	-	-
Total	<u>\$ 3,595,000</u>	<u>\$ 67,515</u>	<u>\$ 2,210,000</u>	<u>\$ 47,143</u>

Year Ending September 30,	Business-Type Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2024	\$ 715,000	\$ 79,125	\$ 1,040,000	\$ 687,205
2025	530,000	52,325	1,125,000	601,819
2026	555,000	28,625	1,175,000	560,506
2027	365,000	11,025	1,210,000	518,481
2028	185,000	2,775	1,250,000	473,997
2098 - 2033	-	-	4,420,000	1,761,203
2034 - 2038	-	-	4,455,000	932,846
2039 - 2043	-	-	2,575,000	200,179
Total	<u>\$ 2,350,000</u>	<u>\$ 173,875</u>	<u>\$ 17,250,000</u>	<u>\$ 5,736,236</u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Lease Liabilities

The City leases property and equipment from various third parties to conduct its operations, the terms of which expire 2024. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2023, the value of the lease liabilities was \$28,730. Incremental borrowing rates of 2.19 percent to 3.12 percent were used to measure lease liabilities. The value of the right-to-use assets as of the end of the current fiscal year was \$239,508 and had accumulated amortization of \$211,396.

The future principal and interest payments for lease liabilities as of September 30, 2023, are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 28,730	\$ 148
Total	\$ 28,730	\$ 148

Subscription Liabilities

The City has subscription IT arrangements to conduct its operations, the terms of which expire 2024 through 2028. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

An initial subscription liability was recorded in the amount of \$281,008 for governmental activities and \$77,035 for business-type activities during fiscal year 2023. As of September 30, 2023, the value of the subscription liabilities was \$687,206 for governmental activities and \$94,277 for business-type activities. An incremental borrowing rate of 2.19 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2023, was \$982,757 and had accumulated amortization of \$325,860 for governmental activities, and was \$212,102 and had accumulated amortization of \$103,663 for business-type activities.

The future principal and interest payments for subscription liabilities as of September 30, 2023, are as follows:

Year Ending September 30,	Subscription Liabilities			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 293,171	\$ 8,847	\$ 44,839	\$ 1,238
2025	171,770	5,092	47,151	222
2026	171,157	1,357	2,287	8
2027	25,368	465	-	-
2028	25,740	-	-	-
Total	\$ 687,206	\$ 15,296	\$ 94,277	\$ 1,468

City of Cedar Hill, Texas
Notes to Financial Statements
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Compensated Absences

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

Component Units

The long-term liabilities of the Community Development Corporation (CDC), a discretely presented component unit, is comprised of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
CDC					
Compensated absences	\$ 77,737	\$ 73,921	\$ (92,387)	\$ 59,271	\$ 59,271
Net pension liability	-	811,888	-	811,888	-
OPEB liability - Health care	128,380	-	(43,886)	84,494	-
OPEB liability - SDBF	-	27,600	-	27,600	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ 206,117</u>	<u>\$ 913,409</u>	<u>\$ (136,273)</u>	<u>\$ 983,253</u>	<u>\$ 59,271</u>

The long-term liabilities of the Economic Development Corporation (EDC), a discretely presented component unit, is comprised of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
EDC					
Compensated absences	\$ 31,167	\$ 31,470	\$ (37,404)	\$ 25,233	\$ 25,233
Net pension liability	-	270,629	-	270,629	-
OPEB liability - Health care	36,680	-	(12,539)	24,141	-
OPEB liability - SDBF	-	9,200	-	9,200	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 67,847</u>	<u>\$ 311,299</u>	<u>\$ (49,943)</u>	<u>\$ 329,203</u>	<u>\$ 25,233</u>

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

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

Cedar Hill Industrial Development Corporation

The Cedar Hill Industrial Development Corporation (CHIDC) was organized in December 1979 by the City under the Development Corporation Act of 1979. CHIDC has the ability to issue tax-exempt revenue bonds for the development of local industry to secure the advantages of balanced and increased employment and an improved economic position, and to provide for a broader tax base. The City Council appoints the Board of Directors of CHIDC. The CHIDC does not have assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures, or conduit debt as of September 30, 2023, to be included as a component unit.

Note 7. Risk Management

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

The City maintains a self-insurance program for health insurance. The City established the self-insurance program effective October 1, 2017. The premiums paid by the City are primarily (expenditures/expenses) of the operating funds. All premiums are paid into the self-funded health internal service fund to pay claims, claim reserves and administrative costs of the program. Group medical benefits are paid from the Self-Insurance Fund (Internal Service Fund), which has an annually negotiated stop loss provision through United Health Care. The aggregate stop loss was \$100,000 per covered individual and coverage is maintained through a private insurance carrier. An independent claims administrator performs all claims handling procedures.

Revenues are recognized from payroll deductions from employee dependent coverage and from City contributions for employee coverage. The liabilities for insurance claims reported in the City's Self-Insurance Fund is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported (IBNR) claims. The City's consultant has estimated the unpaid claims liability at approximately \$660,602 at September 30, 2023.

Changes in balances during 2023 were as follows:

	<u>2023</u>
Unpaid claims, beginning of year	\$ 347,230
Current year claims (including IBNR) and change in estimate	3,618,323
Claim Payments	<u>(3,304,951)</u>
Unpaid claims, end of year	<u>\$ 660,602</u>

Note 8. Commitments and Contingencies

The City has a contract with Trinity River Authority (TRA) whereby the TRA has agreed to provide water, wastewater and disposal system treatment for the benefit of the City and any “additional member City” as defined. The City makes payments monthly, which are based on an estimate of its share of costs. In prior years, TRA has calculated this estimate on an annual basis and made adjustments for over/under charges in the City’s next fiscal year. Effective December 1, 1992, TRA changed its billing methodology to adjust its estimate eight months into the City’s fiscal year which should reduce over/under charges but may not fully eliminate them. The City’s fiscal year for when the adjustments are reported and the City’s fiscal year for when the services were provided may differ because of these adjustments and because TRA’s fiscal year differs from the City’s, as indicated by the schedule below:

Regular monthly expenses for October 1, 2022 to September 30, 2023	\$ 7,909,429
TRA adjustment for prior-year settlement	<u>(699,320)</u>
 Sewage treatment and water system facility expenses	 <u>\$ 7,210,109</u>

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

The City is engaged in capital improvements as evidenced by its long-term indebtedness. At September 30, 2023, sufficient capital funds were on hand to satisfy all contractual commitments for capital improvements in progress. The City has active construction projects as of September 30, 2023. Total accumulated commitments for ongoing capital project are composed of the following:

Construction Commitments

Capital	\$ 17,721,009
Water and sewer	1,309,134
Grant	<u>530,663</u>
 Total	 <u>\$ 19,560,806</u>

The City periodically is a defendant in various lawsuits. At September 30, 2023, after consultation with the City’s attorney, the City is not aware of any pending litigation with a material impact.

The Cedar Hill Economic Development Corporation provides monetary incentives to companies to relocate and provide employment opportunities within the City of Cedar Hill. At September 30, 2023, these commitments totaled \$1,986,797 and are only paid when provisions of incentive agreements are fulfilled.

Note 9. Tax Abatements and Economic Incentives

The City enters into economic development agreements designed to promote development, stimulate commercial activity, enhance the property tax base, and increase the economic vitality. These programs rebate property taxes and sales tax. The City's economic development agreements are authorized under the Texas Local Government Code Chapter 311 (Tax Increment Financing Act), Chapter 312 (Property Tax Abatements) and Chapter 380 (Economic Development Programs). Recipients may be eligible to receive economic assistance based upon employment, economic or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations, renewing facility leases or bringing targeted development to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has three categories of economic development agreements:

Tax Abatements

Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. At fiscal year-end 2023, there was one active tax abatement agreement under this program which was executed in May 2021. Per the agreement, the tax abatement year begins one tax year after the Certificate of Occupancy has been issued. The Certificate of Occupancy was issued in tax year 2022 which correlates to fiscal year 2023. As such, tax abatement period begins on the following January 1st which relates to tax year 2023, resulting in tax abatement payment in fiscal year 2024. There were no property taxes abated in fiscal year 2023.

General Economic Development

The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or a percentage of property taxes or sales tax received by the City. The City had three active Chapter 380 agreements totaling \$35,477 in payments in fiscal year 2023.

The Cedar Hill Economic Development Corporation (CHEDC) enters various agreements to promote and encourage development within the Cedar Hill. These agreements incentivize developers and local business to promote and develop the City under the terms and conditions established by the Cedar Hill Economic Development Corporation. CHEDC had \$2,800,000 in payments for incentives in fiscal year 2023.

Tax Increment Financing

Tax Increment Financing (TIF) is a tool to help finance public improvements and development projects within a defined area. A municipality makes an area eligible for TIF by designating it a Tax Increment Reinvestment Zone (TIRZ). Within the designated zone all of the incremental tax revenue growth flows to an established tax increment fund to help pay for public improvements within the zone. The City has adopted one Tax Increment Reinvestment Zones (TIRZ) in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311. The City's active Tax increment reinvestment zone is TIRZ #1. The goal of the Tax Increment Zone #1 is to continue funding the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. The purpose for TIRZ#1 is to promote the creation of contained, mixed-use development consisting of major retail, restaurants, residential, hotel and office. The Zone's projected costs are primarily related to roadway, drainage, storm water detention and utilities. The revenue in to TIRZ#1 for fiscal year 2023 was \$826,654. There were no active projects funded for the year.

Note 10. Defined Benefit Pension Plan

Plan Description

The City of Cedar Hill participates as one of over 920 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City of Cedar Hill, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the 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.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit, which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service requirement eligibility	20 year to any age, or 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	50% of CPI, repeating

City of Cedar Hill, Texas
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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	226
Inactive employees entitled to but not yet receiving benefits	193
Active employees	340
 Total	 759

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City's matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The 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 of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.28% and 14.80% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2023 were \$4,304,497 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022 and the Total Pension Liability (TPL) used to calculate the NPL 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 pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries 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.

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

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 Rate (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 to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, 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 return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
 Total	 <u>100%</u>	

Discount Rate and Allocations

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 Member 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 Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance beginning of year	\$ 136,503,031	\$ 129,283,470	\$ 7,219,561
Changes for the year:			
Service cost	4,604,746	-	4,604,746
Interest	9,185,884	-	9,185,884
Change of benefit terms	-	-	-
Difference between expected and actual experience	2,403,500	-	2,403,500
Changes of assumptions	-	-	-
Contributions - employer	-	3,881,497	(3,881,497)
Contributions - employee	-	1,898,305	(1,898,305)
Net investment income	-	(9,444,815)	9,444,815
Benefit payments, including refunds of employee contributions	(5,436,479)	(5,436,479)	-
Administrative expense	-	(81,664)	81,664
Other changes	-	97,449	(97,449)
Net changes	<u>10,757,651</u>	<u>(9,085,707)</u>	<u>19,843,358</u>
Balance end of year	<u>\$ 147,260,682</u>	<u>\$ 120,197,763</u>	<u>\$ 27,062,919</u>

Proportionate share and net pension liability reported in:

Primary government	96.00%	\$ 25,980,402
Cedar Hill Community Development Corporation	3.00%	811,888
Cedar Hill Economic Development Corporation	1.00%	<u>270,629</u>
Total	<u>100.00%</u>	<u>\$ 27,062,919</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1 % Increase in Discount Rate (7.75%)
Primary government	\$ 47,277,283	\$ 25,980,402	\$ 8,603,555
Cedar Hill Community Development Corporation	1,477,415	811,888	268,861
Cedar Hill Economic Development Corporation	492,472	270,629	89,620
Plan's net pension liability	<u>\$ 49,247,170</u>	<u>\$ 27,062,919</u>	<u>\$ 8,962,036</u>

City of Cedar Hill, Texas
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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained at 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 primary government recognized pension expense of \$6,496,121. At September 30, 2023, the primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,852,514	\$ 31,883
Changes in actuarial assumptions	65,471	-
Differences between projected and actual investment earnings	7,989,494	-
Contributions subsequent to the measurement date	3,086,103	-
	<u>\$ 14,993,582</u>	<u>\$ 31,883</u>

For the year ended September 30, 2023, the Cedar Hill Community Development Corporation recognized pension expense of \$203,004. At September 30, 2023, the primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 120,391	\$ 996
Changes in actuarial assumptions	2,046	-
Differences between projected and actual investment earnings	249,672	-
Contributions subsequent to the measurement date	96,441	-
	<u>\$ 468,550</u>	<u>\$ 996</u>

For the year ended September 30, 2023, the Cedar Hill Economic Development Corporation recognized pension expense of \$67,668. At September 30, 2023, the primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 40,130	\$ 332
Changes in actuarial assumptions	682	-
Differences between projected and actual investment earnings	83,224	-
Contributions subsequent to the measurement date	32,147	-
	<u>\$ 156,183</u>	<u>\$ 332</u>

City of Cedar Hill, Texas
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For the year ended September 30, 2023, the primary government reported \$3,086,103 as deferred outflows of resources related to pensions resulting from primary government contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ 1,762,046
2025	3,223,036
2026	3,053,781
2027	<u>3,836,733</u>
Total	<u>\$ 11,875,596</u>

For the year ended September 30, 2023, the Cedar Hill Community Development Corporation reported \$96,441 as deferred outflows of resources related to pensions resulting from Cedar Hill Community Development Corporation contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ 55,064
2025	100,720
2026	95,431
2027	<u>119,898</u>
Total	<u>\$ 371,113</u>

For the year ended September 30, 2023, the Cedar Hill Economic Development Corporation reported \$32,147 as deferred outflows of resources related to pensions resulting from Cedar Hill Economic Development Corporation contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ 18,355
2025	33,573
2026	31,810
2027	<u>39,966</u>
Total	<u>\$ 123,704</u>

Reserve Police Department Defined Benefit Plan

The City provides pension benefits to its volunteer police reserves upon retirement. The City Council establishes plan provisions, is authorized to amend them and acts as the plan administrator. The plan became effective October 1, 1993. Police reserves do not receive a salary, and therefore, there is no covered payroll related to the plan. Police reserves are eligible to participate in the plan if they are at least 15 years old and provided the City with 192 hours of volunteer service per year as a police reserve. Under the plan, the normal retirement age is 55 with ten years of service required. Service is measured by years of service. The reserve officers are not required to contribute to the plan. The normal retirement pension payable to a retirement participant is \$144 per month with a guaranteed minimum of 120 months. Participants are 100% vested with a minimum of ten years of vesting service. A year of vesting is credited for each year during which the participant is credited with 192 hours of service. As of September 30, 2023, the City had no active members of the plan and seven retirees receiving benefits. The plan is a single employer defined benefit plan. The plan does not prepare a separate, audited pension plan report.

Note 11. Other Postemployment Benefit (OPEB) Plans

Retiree Health Care Plan Description

The City provides postemployment medical care (OPEB) for employees through a single- employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and payment rates are approved annually by the City management and the City Council as part of the budget process. Since an irrevocable trust has not been established that meets the criteria of GASB 75, paragraph 4, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided

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

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

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

As of December 31, 2022, membership consisted of:

Retirees and beneficiaries receiving benefits	4
Active employees	334
Total	338

Premiums – Retiree Health Care

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

Coverage	Premiums paid by Employee	
	October 1, 2022	September 30, 2023
	High - Deductible Health Plan (HDHP-HSA) Base Plan	Exclusive Provider Organization (EPO) Buy-Up Plan
Employee Only	\$ 557	\$ 733
Employee & Spouse	1,064	1,319

City of Cedar Hill, Texas
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Current retirees pay to the self-funded health program the blended premium for active and retired participants. Retiree pay rates for fiscal year September 30, 2023 ranged from \$733 to \$1,319 per month depending on coverage levels selected. In fiscal year September 30, 2023, the total member payments were \$58,078. The City payment for retirees consists of pay-as-you-go claims in excess of the retiree payments. The City claims incurred by retirees were \$51,612; therefore, the City's payment to the plan for fiscal year September 30, 2023 was \$109,690.

Total OPEB Liability – Retiree Health Care

The City's total OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions – Retiree Health Care

The City's total OPEB liability in the December 31, 2022 valuation was determined using the following actuarial assumptions:

	<u>Actuarial Assumptions</u>
Actuarial Cost Method	Individual Entry-Age
Discount Rate	4.05 as of December 31, 2022, 1.84% in prior year
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending in December 31, 2018 Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender distinct 2019 municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	20% of retirees between the ages of 50 and 64 at retirement; 0% for retirees under age 50 at retirement

City of Cedar Hill, Texas
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Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.05%. The discount rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date of December 31, 2022. For the purpose of this valuation, the municipal bond rate is 4.05% based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index. The discount rate was 1.84% as of December 31, 2021, the prior measurement date.

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

The following presents the total OPEB – Health Care liability of the City, calculated using the discount rate of 4.05%, as well as what the City’s total OPEB – Health Care liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%):

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
Primary government	\$ 1,212,323	\$ 1,098,423	\$ 995,525
Cedar Hill Community Development Corporation	93,256	84,494	76,579
Cedar Hill Economic Development Corporation	26,644	24,141	21,881
Total OPEB Health Care liability	\$ 1,332,223	\$ 1,207,058	\$ 1,093,985

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

	1% Decrease in Trend Rate	Trend Rate	1% Increase in Trend Rate
Primary government	\$ 960,560	\$ 1,098,423	\$ 1,263,574
Cedar Hill Community Development Corporation	73,889	84,494	97,198
Cedar Hill Economic Development Corporation	21,111	24,141	27,771
Total OPEB Health Care liability	\$ 1,055,560	\$ 1,207,058	\$ 1,388,543

Schedule of Changes in Total OPEB Liability – Health Care

	Total OPEB- Health Care Liability	City	CDC	EDC
Beginning balance	\$ 1,833,994	\$ 1,668,935	\$ 128,380	\$ 36,680
Changes for the year:				
Service cost	142,836	129,981	9,999	2,857
Interest (on the total OPEB liability)	34,585	31,472	2,421	692
Differences between expected and actual experience	(552,293)	(502,587)	(38,661)	(11,046)
Change of Assumptions	(200,452)	(182,411)	(14,032)	(4,009)
Benefit Payments	(51,612)	(46,967)	(3,613)	(1,033)
Net changes	(626,936)	(570,512)	(43,886)	(12,539)
Ending balance	\$ 1,207,058	\$ 1,098,423	\$ 84,494	\$ 24,141
Proportionate share of total OPEB liability - Health Care:	100.00%	91.00%	7.00%	2.00%

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

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

For the year ended September 30, 2023, OPEB Health Care expense of \$122,604 was recognized by the primary government. At September 30, 2023, the total reported deferred outflows of resources and deferred inflows of resources related to OPEB - Health Care from the following sources. See *Note 12* for further detail.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 111,365	\$ 529,497
Changes in actuarial assumptions	274,676	285,782
Contributions subsequent to the measurement date	23,012	-
	<u>\$ 409,053</u>	<u>\$ 815,279</u>

For the year ended September 30, 2023, OPEB Health Care expense of \$9,431 was recognized by the Cedar Hill Community Development Corporation. At September 30, 2023, the total reported deferred outflows of resources and deferred inflows of resources related to OPEB - Health Care from the following sources. See *Note 12* for further detail.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 8,567	\$ 40,731
Changes in actuarial assumptions	21,129	21,983
Contributions subsequent to the measurement date	1,770	-
	<u>\$ 31,466</u>	<u>\$ 62,714</u>

For the year ended September 30, 2023, OPEB Health Care expense of \$2,695 was recognized by the Cedar Hill Economic Development Corporation. At September 30, 2023, the total reported deferred outflows of resources and deferred inflows of resources related to OPEB - Health Care from the following sources. See *Note 12* for further detail.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,448	\$ 11,637
Changes in actuarial assumptions	6,037	6,281
Contributions subsequent to the measurement date	506	-
	<u>\$ 8,991</u>	<u>\$ 17,918</u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Of the \$409,053 for deferred outflows of resources for the primary government, \$23,012 resulted from contributions made by the primary government subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2024. The remainder of the total deferred outflows/inflows of resources, \$(429,237) will be recognized in OPEB – Health Care expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ (38,849)
2025	(38,849)
2026	(38,849)
2027	(41,145)
2028	(44,394)
Thereafter	(227,151)
	<u>\$ (429,237)</u>

Of the \$31,466 for deferred outflows of resources for the Cedar Hill Community Development Corporation, \$1,770 resulted from contributions made by the Cedar Hill Community Development Corporation subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2024. The remainder of the total deferred outflows/inflows of resources, \$(33,018) will be recognized in OPEB – Health Care expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ (2,988)
2025	(2,988)
2026	(2,988)
2027	(3,165)
2028	(3,415)
Thereafter	(17,474)
	<u>\$ (33,018)</u>

Of the \$8,991 for deferred outflows of resources for the Cedar Hill Economic Development Corporation, \$506 resulted from contributions made by the Cedar Hill Economic Development Corporation subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2024. The remainder of the total deferred outflows/inflows of resources, \$(9,433) will be recognized in OPEB – Health Care expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ (854)
2025	(854)
2026	(854)
2027	(904)
2028	(976)
Thereafter	(4,991)
	<u>\$ (9,433)</u>

Supplemental Death Benefit Fund Plan (SDBF) Description

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

Benefits Provided

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

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

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	167
Inacative employees entitled to, but not yet receiving benefits	49
Active employees	<u>340</u>
 Total	 <u><u>556</u></u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Actuarial Methods and Assumptions – SDBF

The City's total OPEB liability in the December 31, 2022 valuation was determined using the following actuarial assumptions:

	<u>Actuarial Assumptions</u>
Actuarial Cost Method	Entry Age for Normal
Discount Rate	4.05% as of December 31, 2022 (based on Fidelity Index's "20-Year Municipal GO AA Index") was changed from 1.84% in the prior year.
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Payments – SDBF

The City payments to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.26% for 2023 and 0.16% for 2022, of which 0.08% and 0.07%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The funding policy of the plan is to assure adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's payments to SDBF for the fiscal years ended September 30, 2023, 2022, 2021, were \$68,686, \$42,331, and \$40,721, respectively, which equaled the required payments each year.

Total OPEB Liability – SDBF

The City's Total OPEB liability (TOL) for SDBF was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Schedule of Changes in Total OPEB Liability - SDBP

	<u>Total OPEB Liability</u>
Beginning balance	\$ 1,344,217
Changes for the year	
Service cost	67,797
Interest (on the total OPEB liability)	25,183
Differences between expected and actual experience	(11,104)
Change of Assumptions	(487,098)
Benefit Payments	<u>(18,983)</u>
Net changes	<u>\$ (424,205)</u>
Ending balance	<u><u>\$ 920,012</u></u>

Proportionate share and total OPEB liability - SDBF reported in:

Primary government	96.00%	\$ 883,212
Cedar Hill Community Development Corporation	3.00%	27,600
Cedar Hill Economic Development Corporation	<u>1.00%</u>	<u>9,200</u>
Total	<u>100.00%</u>	<u>\$ 920,012</u>

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

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

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

	<u>1% Decrease in Discount Rate (3.05%)</u>	<u>Discount Rate (4.05%)</u>	<u>1% Increase in Discount Rate (5.05%)</u>
Primary government	\$ 1,062,325	\$ 883,212	\$ 743,483
Cedar Hill Community Development Corporation	33,198	27,600	23,234
Cedar Hill Economic Development Corporation	<u>11,066</u>	<u>9,200</u>	<u>7,744</u>
Total OPEB SDBF liability	<u>\$ 1,106,589</u>	<u>\$ 920,012</u>	<u>\$ 774,461</u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

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

For the year ended September 30, 2023, the primary government recognized OPEB expense - SDBF of \$57,503. At September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB – SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 51,874
Changes in actuarial assumptions	194,349	409,925
Contributions subsequent to the measurement date	<u>16,682</u>	<u>-</u>
	<u>\$ 211,031</u>	<u>\$ 461,799</u>

For the year ended September 30, 2023, the Cedar Hill Community Development Corporation recognized OPEB expense - SDBF of \$1,797. At September 30, 2023, the Cedar Hill Community Development Corporation reported deferred outflows and inflows of resources related to OPEB – SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,621
Changes in actuarial assumptions	6,073	12,810
Contributions subsequent to the measurement date	<u>519</u>	<u>-</u>
	<u>\$ 6,592</u>	<u>\$ 14,431</u>

For the year ended September 30, 2023, the Cedar Hill Economic Development Corporation recognized OPEB expense - SDBF of \$599. At September 30, 2023, the Cedar Hill Economic Development Corporation reported deferred outflows and inflows of resources related to OPEB – SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 540
Changes in actuarial assumptions	2,024	4,270
Contributions subsequent to the measurement date	<u>176</u>	<u>-</u>
	<u>\$ 2,200</u>	<u>\$ 4,810</u>

The primary government reported \$16,682 as deferred outflows related to OPEB resulting from primary government contributions subsequent to the measurement date which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024.

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ (36,218)
2025	(36,067)
2026	(34,428)
2027	(53,532)
2028	(72,468)
Thereafter	(34,738)
	<u>\$ (267,451)</u>

The Cedar Hill Community Development Corporation reported \$519 as deferred outflows related to OPEB resulting from Cedar Hill Community Development Corporation contributions subsequent to the measurement date which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ (1,132)
2025	(1,127)
2026	(1,076)
2027	(1,673)
2028	(2,265)
Thereafter	(1,085)
	<u>\$ (8,358)</u>

The Cedar Hill Economic Development Corporation reported \$176 as deferred outflows related to OPEB resulting from Cedar Hill Economic Development Corporation contributions subsequent to the measurement date which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2024	\$ (377)
2025	(376)
2026	(359)
2027	(558)
2028	(755)
Thereafter	(361)
	<u>\$ (2,786)</u>

Aggregate OPEB Information - City and Discretely Presented Component Units

For the year ended September 30, 2023, the City and its discretely presented component units' aggregate OPEB plans liability is \$2,127,070 and the expense is \$194,629. See Note 12 for aggregate deferred outflows and inflows information.

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Note 12. OPEB Deferred Outflows and Inflows

OPEB deferred outflows and inflows as of September 30, 2023 are as follows:

<u>Government-Wide Governmental</u>	<u>OPEB - Health</u>	<u>OPEB - SDBF</u>	<u>OPEB - Total</u>
Deferred Outflows of Resources			
Difference between expected and actual experience	\$ 96,679	\$ -	\$ 96,679
Changes in actuarial assumptions	238,455	174,104	412,559
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>19,977</u>	<u>14,944</u>	<u>34,921</u>
Total	<u>\$ 355,111</u>	<u>\$ 189,048</u>	<u>\$ 544,159</u>
Deferred Inflows of Resources			
Difference between expected and actual experience	\$ 459,673	\$ 46,470	\$ 506,143
Changes in actuarial assumptions	248,096	367,224	615,320
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 707,769</u>	<u>\$ 413,694</u>	<u>\$ 1,121,463</u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

<u>Business-type activities and Proprietary Funds</u>	<u>OPEB - Health</u>	<u>OPEB - SDBF</u>	<u>OPEB - Total</u>
Deferred Outflows of Resources			
Difference between expected and actual experience	\$ 14,686	\$ -	\$ 14,686
Changes in actuarial assumptions	36,221	20,245	56,466
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>3,035</u>	<u>1,738</u>	<u>4,773</u>
Total	<u>\$ 53,942</u>	<u>\$ 21,983</u>	<u>\$ 75,925</u>
Deferred Inflows of Resources			
Difference between expected and actual experience	\$ 69,824	\$ 5,404	\$ 75,228
Changes in actuarial assumptions	37,686	42,701	80,387
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 107,510</u>	<u>\$ 48,105</u>	<u>\$ 155,615</u>
EDC			
Deferred Outflows of Resources			
Difference between expected and actual experience	\$ 2,448	\$ -	\$ 2,448
Changes in actuarial assumptions	6,037	2,024	8,061
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>506</u>	<u>176</u>	<u>682</u>
Total	<u>\$ 8,991</u>	<u>\$ 2,200</u>	<u>\$ 11,191</u>
Deferred Inflows of Resources			
Difference between expected and actual experience	\$ 11,637	\$ 540	\$ 12,177
Changes in actuarial assumptions	6,281	4,270	10,551
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 17,918</u>	<u>\$ 4,810</u>	<u>\$ 22,728</u>

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

<u>CDC</u>	<u>OPEB - Health</u>	<u>OPEB - SDBF</u>	<u>OPEB - Total</u>
Deferred Outflows of Resources			
Difference between expected and actual experience	\$ 8,567	\$ -	\$ 8,567
Changes in actuarial assumptions	21,129	6,073	27,202
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>1,770</u>	<u>519</u>	<u>2,289</u>
Total	<u>\$ 31,466</u>	<u>\$ 6,592</u>	<u>\$ 38,058</u>
Deferred Inflows of Resources			
Difference between expected and actual experience	\$ 40,731	\$ 1,621	\$ 42,352
Changes in actuarial assumptions	21,983	12,810	34,793
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 62,714</u>	<u>\$ 14,431</u>	<u>\$ 77,145</u>

Note 13. 457(b) Retirement Plan

The City offers all employees an opportunity to participate in a deferred compensation plan that has been established in accordance with Internal Revenue Code Section 457. This plan is a 457(b) plan and is administered by Mission Square. The Plans provisions and contribution requirements are established and may be amended by plan administrator. Vantage Trust Company is the trustee of the Mission Square plan. Employees may enroll in the plan and/or change their contribution amounts at any time. The City does not contribute to the plan.

Note 14. Southwest Regional Communication Center

The City of Cedar Hill (“the City”) entered into an annually renewable Interlocal Cooperation agreement (“the agreement”) with the Cities of DeSoto and Duncanville (participating cities) on August 10, 1999 and said agreement was amended on December 29, 2011 and December 8, 2015. The cooperative agreement established a Regional Public Safety Dispatch and Alarm Monitoring Facility known as the Southwest Regional Communication Center (“SWRCC”). SWRCC provides police, fire and emergency medical service communications to participating cities. SWRCC’s Management Committee is comprised of each of the participating cities’ City Manager or their designee. During fiscal year 2016, the cooperative agreement was amended as dated above to direct each participating entity to have all E911 emergency communication fees (“E911 fees”) deposited to an account styled as the City of DeSoto SWRCC. The City of DeSoto provides the accounting and budgetary services for the SWRCC. The City contributed \$1,050,296 to the operations of the Center from budgeted funds as accounted for in the general fund and the crime control and prevention district fund.

The City has a one-third share in the equity of the Center, which is included in the government- wide statement of net position as other assets. At September 30, 2023, the City’s investment in the Center is \$414,349. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

City of Cedar Hill, Texas
Notes to Financial Statements
September 30, 2023

Note 15. Regional Animal Control Shelter

The City entered into an Interlocal Cooperation Agreement with the Cities of DeSoto and Duncanville on September 3, 1991 to establish a Regional Animal Control Shelter facility ("the facility"). The facility's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City owns a one-third (1/3) share of the facility and is reflected in capital assets. In January 2008, the City issued, in its name, \$2,040,000 of bonds to finance the construction of a new animal control shelter. Combined principal and interest of the obligation totaled \$3,064,113. Although, the entire outstanding principal is reflected in the City's financial statements, the City of Duncanville and the City of Desoto are each committed to pay one third of that total debt, or \$1,021,371, over twenty years starting in fiscal year 2009. The total outstanding debt service commitment from all three entities as of September 30, 2023 is \$450,875.

Required Supplementary Information

City of Cedar Hill, Texas
Schedule of Changes in Net Pension Liability and
Related Ratios - TMRS Plan (Unaudited)
Last Nine Measurement Periods

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability				
Service cost	\$ 4,604,746	\$ 4,506,060	\$ 4,244,674	\$ 3,868,134
Interest (on the Total Pension Liability)	9,185,884	8,460,752	7,853,074	7,346,566
Changes of benefit terms		-	-	-
Differences between expected and actual experiences	2,403,500	2,801,534	1,232,689	(166,047)
Change of assumptions		-	-	340,991
Benefit payments, including refunds of employee contributions	<u>(5,436,479)</u>	<u>(4,713,530)</u>	<u>(4,203,456)</u>	<u>(3,944,725)</u>
Net Change in Total Pension Liability	10,757,651	11,054,816	9,126,981	7,444,919
Total Pension Liability - Beginning	<u>136,503,031</u>	<u>125,448,215</u>	<u>116,321,234</u>	<u>108,876,315</u>
Total Pension Liability - Ending (a)	<u>\$ 147,260,682</u>	<u>\$ 136,503,031</u>	<u>\$ 125,448,215</u>	<u>\$ 116,321,234</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 3,881,497	\$ 3,771,721	\$ 3,480,897	\$ 3,179,475
Contributions - employee	1,898,305	1,866,415	1,760,232	1,623,318
Net investment income	(9,444,815)	14,820,850	7,950,333	13,919,798
Benefit payments, including refunds of employee contributions	(5,436,479)	(4,713,530)	(4,203,456)	(3,944,725)
Administrative expense	(81,664)	(68,526)	(51,411)	(78,597)
Other	<u>97,450</u>	<u>470</u>	<u>(2,007)</u>	<u>(2,361)</u>
Net Change in Plan Fiduciary Net Position	(9,085,706)	15,677,400	8,934,588	14,696,908
Plan Fiduciary Net Position - Beginning	<u>129,283,469</u>	<u>113,606,069</u>	<u>104,671,481</u>	<u>89,974,573</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 120,197,763</u>	<u>\$ 129,283,469</u>	<u>\$ 113,606,069</u>	<u>\$ 104,671,481</u>
Net Pension Liability - Ending (a) – (b)	<u>\$ 27,062,919</u>	<u>\$ 7,219,562</u>	<u>\$ 11,842,146</u>	<u>\$ 11,649,753</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.62%	94.71%	90.56%	89.98%
Covered Payroll	\$ 27,118,647	\$ 26,663,078	\$ 25,146,176	\$ 23,190,254
Net Pension Liability as a Percentage of Covered-Employee Payroll	99.79%	27.08%	47.09%	50.24%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of December 31, 2022 (measurement date), only 9 years are included and additional years will be added in the future as the information becomes available.

	2018	2017	2016	2015	2014
\$	3,697,787	\$ 3,589,689	\$ 3,374,101	\$ 3,080,700	\$ 2,863,004
	6,875,690	6,451,988	5,969,704	5,693,839	5,318,311
	-	-	-	-	-
	6,972	(353,823)	880,524	262,001	(343,244)
	-	-	-	765,043	-
	(3,434,642)	(3,495,009)	(2,879,343)	(2,818,217)	(2,346,249)
	7,145,807	6,192,845	7,344,986	6,983,366	5,491,822
	101,730,508	95,537,663	88,192,677	81,209,311	75,717,489
\$	<u>108,876,315</u>	<u>\$ 101,730,508</u>	<u>\$ 95,537,663</u>	<u>\$ 88,192,677</u>	<u>\$ 81,209,311</u>
\$	3,092,837	\$ 2,943,532	\$ 2,549,683	\$ 2,530,362	\$ 2,555,283
	1,550,899	1,510,730	1,416,333	1,346,965	1,347,260
	(2,744,021)	11,039,446	4,976,866	107,024	3,842,858
	(3,434,642)	(3,495,009)	(2,879,343)	(2,818,217)	(2,346,249)
	(53,011)	(57,193)	(56,192)	(65,183)	(40,117)
	(2,771)	(2,898)	(3,028)	(3,219)	(3,298)
	(1,590,709)	11,938,608	6,004,319	1,097,732	5,355,737
	91,565,282	79,626,674	73,622,355	72,524,623	67,168,886
\$	<u>89,974,573</u>	<u>\$ 91,565,282</u>	<u>\$ 79,626,674</u>	<u>\$ 73,622,355</u>	<u>\$ 72,524,623</u>
\$	<u>18,901,742</u>	<u>\$ 10,165,226</u>	<u>\$ 15,910,989</u>	<u>\$ 14,570,322</u>	<u>\$ 8,684,688</u>
	82.64%	90.01%	83.35%	83.48%	89.31%
\$	22,155,702	\$ 21,559,693	\$ 20,192,109	\$ 19,242,351	\$ 19,246,797
	85.31%	47.15%	78.80%	75.72%	45.12%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,092,837	\$ 2,943,532	\$ 2,549,683	\$ 2,530,362	\$ 2,516,536
<u>(3,092,837)</u>	<u>(2,943,532)</u>	<u>(2,549,683)</u>	<u>(2,530,362)</u>	<u>(2,516,536)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
22,859,264	22,101,804	21,268,592	20,787,053	18,921,325
13.53%	13.32%	11.99%	12.17%	13.30%

City of Cedar Hill, Texas
Schedule of Changes in Total OPEB Liability
and Related Ratios - Retiree Health Care
Last Six Measurement Periods (Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 142,836	\$ 108,358	\$ 90,090	\$ 68,867	\$ 76,713	\$ 66,387
Interest (on the total OPEB liability)	34,585	38,330	38,311	44,863	42,196	43,520
Differences between expected and actual experience	(552,293)	14,715	140,175	13,279	(171,947)	11,480
Changes of assumptions or other inputs	(200,452)	(166,913)	285,919	91,629	47,343	61,497
Benefit payments	<u>(51,612)</u>	<u>(45,597)</u>	<u>(34,940)</u>	<u>(55,808)</u>	<u>(56,084)</u>	<u>(54,896)</u>
Net Change in Total OPEB Liability	\$ (626,936)	\$ (51,107)	\$ 519,555	\$ 162,830	\$ (61,779)	\$ 127,988
Total OPEB Liability - Beginning	<u>1,833,994</u>	<u>1,885,101</u>	<u>1,365,553</u>	<u>1,202,715</u>	<u>1,264,494</u>	<u>1,136,506</u>
Total OPEB Liability - Ending (a)	<u>\$ 1,207,058</u>	<u>\$ 1,833,994</u>	<u>\$ 1,885,108</u>	<u>\$ 1,365,545</u>	<u>\$ 1,202,715</u>	<u>\$ 1,264,494</u>
Covered-Employee Payroll	\$ 27,029,118	\$ 26,663,021	\$ 25,130,976	\$ 22,999,707	\$ 22,157,577	\$ 21,565,501
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.47%	6.88%	7.50%	5.94%	5.43%	5.86%

Changes of assumptions reflect the effects of changes in the discount rate each period. The discount rate changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

The health care trend assumption was modified in plan year 2022.

The dependent coverage assumption was modified in plan year 2021.

The demographic assumptions were updated to reflect the 2019 TMRS Experience Study.

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

Note: GASB Statement No. 75 requires 10 years of data to be provided in this schedule. As of December 30, 2022 (Plan Year), only 6 years are included. Additional years will be added in the future as the information becomes available.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

City of Cedar Hill, Texas
Schedule of Changes in Total OPEB Liability
and Related Ratios - SDBF
Last Six Measurement Periods (Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 67,797	\$ 69,324	\$ 55,322	\$ 39,423	\$ 46,527	\$ 38,807
Interest (on the total OPEB liability)	25,183	25,488	28,236	30,338	28,270	27,061
Differences between expected and actual experience	(11,104)	(24,726)	(7,745)	(34,373)	(39,771)	-
Changes of assumptions or other inputs	(487,098)	43,725	176,684	170,497	(63,278)	72,823
Benefit payments	<u>(18,983)</u>	<u>(18,664)</u>	<u>(5,029)</u>	<u>(4,638)</u>	<u>(4,431)</u>	<u>(4,312)</u>
Net Change in Total OPEB Liability	\$ (424,205)	\$ 95,147	\$ 247,468	\$ 201,247	\$ (32,683)	\$ 134,379
Total OPEB Liability - Beginning	<u>1,344,217</u>	<u>1,249,070</u>	<u>1,001,602</u>	<u>800,355</u>	<u>833,038</u>	<u>698,659</u>
Total OPEB Liability - Ending (a)	<u>\$ 920,012</u>	<u>\$ 1,344,217</u>	<u>\$ 1,249,070</u>	<u>\$ 1,001,602</u>	<u>\$ 800,355</u>	<u>\$ 833,038</u>
Covered-Employee Payroll	\$ 27,118,647	\$ 26,663,078	\$ 25,146,176	\$ 23,190,254	\$ 22,155,702	\$ 21,559,693
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.39%	5.04%	4.97%	4.32%	3.61%	3.86%

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

Note: GASB Statement No. 75 requires 10 years of data to be provided in this schedule. As of December 30, 2022 (Plan Year), only 6 years are included. Additional years will be added in the future as the information becomes available.

Notes to Schedule:

Changes of benefit terms: None

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

City of Cedar Hill, Texas
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual - General Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Taxes, penalties and interest	\$ 36,481,944	\$ 36,481,944	\$ 37,126,872	\$ 644,928
Franchise fees	3,400,434	3,400,434	3,572,434	172,000
License fees and permits	1,092,700	1,092,700	1,584,287	491,587
Intergovernmental	794,800	794,800	927,596	132,796
Charges for services	2,020,695	2,020,695	2,542,619	521,924
Fines and forfeitures	1,149,800	1,149,800	915,817	(233,983)
Investment earnings	100,000	100,000	761,327	661,327
Grants and donations	-	-	11,180	11,180
Miscellaneous	152,230	152,230	303,222	150,992
Total revenues	<u>45,192,603</u>	<u>45,192,603</u>	<u>47,745,354</u>	<u>2,552,751</u>
Expenditures				
Current				
General government	7,108,492	7,108,492	6,671,435	437,057
Public works	2,753,967	2,753,967	2,577,776	176,191
Public safety	29,067,509	29,067,509	29,575,810	(508,301)
Community services	6,612,448	6,612,448	6,613,789	(1,341)
Principal retirement	-	-	268,154	(268,154)
Interest and fiscal charges	-	-	1,700	(1,700)
Capital outlay	259,000	259,000	1,102,250	(843,250)
Total expenditures	<u>45,801,416</u>	<u>45,801,416</u>	<u>46,810,914</u>	<u>(1,009,498)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(608,813)</u>	<u>(608,813)</u>	<u>934,440</u>	<u>1,543,253</u>
Other Financing Sources (Uses)				
Transfers in	645,069	645,069	645,069	-
Transfers out	(365,233)	(365,233)	(359,775)	5,458
Subscriptions issued	-	-	701,749	701,749
Sale of capital assets	-	-	20,720	20,720
Total other financing sources (uses)	<u>279,836</u>	<u>279,836</u>	<u>1,007,763</u>	<u>727,927</u>
Net Change in Fund Balances	<u>(328,977)</u>	<u>(328,977)</u>	<u>1,942,203</u>	<u>2,271,180</u>
Fund Balances, Beginning of Year	<u>13,052,464</u>	<u>13,052,464</u>	<u>13,052,464</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 12,723,487</u>	<u>\$ 12,723,487</u>	<u>\$ 14,994,667</u>	<u>\$ 2,271,180</u>

City of Cedar Hill, Texas
Notes to Required Supplementary Information
For the Year Ended September 30, 2023

Budgetary Information

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

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



Other Supplementary Information

**City of Cedar Hill, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023**

	Special Revenue Funds			
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Municipal Court
Assets				
Cash, cash equivalents and investments	\$ 442,662	\$ 333,533	\$ 1,159,006	\$ 85,810
Receivables (net of allowances for uncollectible)	-	-	91,290	-
Interfund loan receivable	-	-	-	-
Prepays	-	-	4,167	-
Total assets	<u>\$ 442,662</u>	<u>\$ 333,533</u>	<u>\$ 1,254,463</u>	<u>\$ 85,810</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ -	\$ 3,669	\$ 36,628	\$ -
Accrued liabilities	-	3,761	12,450	-
Interfund loan payable	-	-	-	-
Retainage payable	-	-	-	-
Total liabilities	<u>-</u>	<u>7,430</u>	<u>49,078</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - property tax	-	-	-	-
Unavailable revenue - court fines	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable for				
Prepays	-	-	4,167	-
Restricted for				
General government	-	-	-	-
Public works	-	-	-	-
Public safety	-	326,103	-	85,810
Community services	-	-	1,201,218	-
Committed for				
JPL nature corridor	442,662	-	-	-
Infrastructure	-	-	-	-
Facilities	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>442,662</u>	<u>326,103</u>	<u>1,205,385</u>	<u>85,810</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 442,662</u>	<u>\$ 333,533</u>	<u>\$ 1,254,463</u>	<u>\$ 85,810</u>

Special Revenue Funds

Library Fund	Public Improvement Districts*	Traffic Safety	PEG	Crime Control and Prevention District	Animal Shelter	Regional Fire Training
\$ 11,888	\$ 1,920,337	\$ -	\$ 808,464	\$ 972,672	\$ 407,952	\$ 20,622
-	47,523	-	15,720	244,354	32,650	-
-	-	-	-	-	-	-
-	1,500	-	-	-	-	-
<u>\$ 11,888</u>	<u>\$ 1,969,360</u>	<u>\$ -</u>	<u>\$ 824,184</u>	<u>\$ 1,217,026</u>	<u>\$ 440,602</u>	<u>\$ 20,622</u>
\$ -	\$ 18,262	\$ -	\$ -	\$ 26,913	\$ 11,680	\$ -
-	1,255	-	-	44,259	26,277	709
-	238,689	-	-	-	-	-
-	-	-	-	-	-	-
-	258,206	-	-	71,172	37,957	709
-	43,945	-	-	-	-	-
-	-	-	-	5,138	-	-
-	43,945	-	-	5,138	-	-
-	1,500	-	-	-	-	-
-	-	-	824,184	-	-	-
-	-	-	-	-	-	-
11,888	1,799,888	-	-	1,140,716	402,645	19,913
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(134,179)	-	-	-	-	-
<u>11,888</u>	<u>1,667,209</u>	<u>-</u>	<u>824,184</u>	<u>1,140,716</u>	<u>402,645</u>	<u>19,913</u>
<u>\$ 11,888</u>	<u>\$ 1,969,360</u>	<u>\$ -</u>	<u>\$ 824,184</u>	<u>\$ 1,217,026</u>	<u>\$ 440,602</u>	<u>\$ 20,622</u>

*Combined fund financial statements. Combining statements for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.

**City of Cedar Hill, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023**

	Special Revenue Funds			Capital Projects Funds
	Landscape Beautification	Tax Increment Financing	Total Special Revenue Funds	Park Development
Assets				
Cash, cash equivalents and investments	\$ 1,954,321	\$ 2,209,826	\$ 10,327,093	\$ 211,445
Receivables (net of allowances for uncollectible)	644,101	-	1,075,638	-
Interfund loan receivable	-	-	-	-
Prepays	-	-	5,667	-
Total assets	<u>\$ 2,598,422</u>	<u>\$ 2,209,826</u>	<u>\$ 11,408,398</u>	<u>\$ 211,445</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	\$ 281,329	\$ -	\$ 378,481	\$ 720
Accrued liabilities	35,860	-	124,571	-
Interfund loan payable	-	-	238,689	-
Retainage payable	-	-	-	2,961
Total liabilities	<u>317,189</u>	<u>-</u>	<u>741,741</u>	<u>3,681</u>
Deferred Inflows of Resources				
Unavailable revenue - property tax	-	-	43,945	-
Unavailable revenue - court fines	-	-	5,138	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>49,083</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable for				
Prepays	-	-	5,667	-
Restricted for				
General government	-	2,209,826	3,034,010	-
Public works	-	-	-	-
Public safety	-	-	1,975,187	-
Community services	2,281,233	-	5,294,227	207,764
Committed for				
JPL nature corridor	-	-	442,662	-
Infrastructure	-	-	-	-
Facilities	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(134,179)	-
Total fund balances (deficit)	<u>2,281,233</u>	<u>2,209,826</u>	<u>10,617,574</u>	<u>207,764</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 2,598,422</u>	<u>\$ 2,209,826</u>	<u>\$ 11,408,398</u>	<u>\$ 211,445</u>

Capital Projects Funds

Restricted Street	Economic Development Incentive	Street Construction	Downtown City Center	Building Maintenance	Drainage	Regional Drainage
\$ 410,241	\$ 317,921	\$ 2,996,404	\$ 640,829	\$ 3,551,100	\$ 3,504,801	\$ 203,589
-	-	-	-	-	-	-
-	-	238,689	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 410,241</u>	<u>\$ 317,921</u>	<u>\$ 3,235,093</u>	<u>\$ 640,829</u>	<u>\$ 3,551,100</u>	<u>\$ 3,504,801</u>	<u>\$ 203,589</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	317,921	-	-	-	-	-
410,241	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,235,093	-	-	3,504,801	203,589
-	-	-	-	3,551,100	-	-
-	-	-	640,829	-	-	-
-	-	-	-	-	-	-
<u>410,241</u>	<u>317,921</u>	<u>3,235,093</u>	<u>640,829</u>	<u>3,551,100</u>	<u>3,504,801</u>	<u>203,589</u>
<u>\$ 410,241</u>	<u>\$ 317,921</u>	<u>\$ 3,235,093</u>	<u>\$ 640,829</u>	<u>\$ 3,551,100</u>	<u>\$ 3,504,801</u>	<u>\$ 203,589</u>



City of Cedar Hill, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	<u>Capital Projects Funds</u>		
	<u>Capital Recovery</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash, cash equivalents and investments	\$ 8,144,492	\$ 19,980,822	\$ 30,307,915
Receivables (net of allowances for uncollectible)	-	-	1,075,638
Interfund loan receivable	-	238,689	238,689
Prepays	-	-	5,667
Total assets	<u>\$ 8,144,492</u>	<u>\$ 20,219,511</u>	<u>\$ 31,627,909</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)			
Liabilities			
Accounts payable	\$ 7,010	\$ 7,730	\$ 386,211
Accrued liabilities	-	-	124,571
Interfund loan payable	-	-	238,689
Retainage payable	-	2,961	2,961
Total liabilities	<u>7,010</u>	<u>10,691</u>	<u>752,432</u>
Deferred Inflows of Resources			
Unavailable revenue - property tax	-	-	43,945
Unavailable revenue - court fines	-	-	5,138
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>49,083</u>
Fund Balances (Deficit)			
Nonspendable for			
Prepays	-	-	5,667
Restricted for			
General government	-	317,921	3,351,931
Public works	8,137,482	8,547,723	8,547,723
Public safety	-	-	1,975,187
Community services	-	207,764	5,501,991
Committed for			
JPL nature corridor	-	-	442,662
Infrastructure	-	6,943,483	6,943,483
Facilities	-	3,551,100	3,551,100
Assigned	-	640,829	640,829
Unassigned	-	-	(134,179)
Total fund balances (deficit)	<u>8,137,482</u>	<u>20,208,820</u>	<u>30,826,394</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 8,144,492</u>	<u>\$ 20,219,511</u>	<u>\$ 31,627,909</u>

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue Funds			
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Municipal Court
Revenues				
Taxes, penalties and interest	\$ -	\$ -	\$ 476,744	\$ -
Franchise fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	51,422	-	39,439
Investment earnings	70,392	12,175	41,990	2,708
Grants and donations	-	-	-	-
Miscellaneous	-	-	59,793	-
Total revenues	70,392	63,597	578,527	42,147
Expenditures				
Current				
Public safety	-	55,721	-	6,583
Community services	-	-	396,338	-
Principal retirement	-	-	-	18,081
Capital outlay	-	-	-	-
Total expenditures	-	55,721	396,338	24,664
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,392	7,876	182,189	17,483
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	70,392	7,876	182,189	17,483
Fund Balances, Beginning of Year	372,270	318,227	1,023,196	68,327
Fund Balances (Deficit), End of Year	\$ 442,662	\$ 326,103	\$ 1,205,385	\$ 85,810

Special Revenue Funds

Library Fund	Public Improvement Districts*	Traffic Safety	PEG	Crime Control and Prevention District	Animal Shelter	Regional Fire Training
\$ -	\$ 1,366,423	\$ -	\$ -	\$ 1,428,258	\$ -	\$ -
-	-	-	67,513	-	-	-
9,607	23,300	-	-	-	-	-
-	-	-	-	-	835,013	40,950
-	-	-	-	56,975	-	-
358	70,864	2,906	30,211	29,463	12,603	445
23,387	-	-	-	-	43,260	-
-	26,283	-	-	500	30	-
<u>33,352</u>	<u>1,486,870</u>	<u>2,906</u>	<u>97,724</u>	<u>1,515,196</u>	<u>890,906</u>	<u>41,395</u>
-	-	17,955	-	1,213,608	1,203,697	54,729
42,312	847,442	-	-	-	-	-
-	-	115,858	-	-	-	-
-	77,794	-	36,700	-	-	-
<u>42,312</u>	<u>925,236</u>	<u>133,813</u>	<u>36,700</u>	<u>1,213,608</u>	<u>1,203,697</u>	<u>54,729</u>
<u>(8,960)</u>	<u>561,634</u>	<u>(130,907)</u>	<u>61,024</u>	<u>301,588</u>	<u>(312,791)</u>	<u>(13,334)</u>
-	-	-	-	-	346,125	13,650
-	-	-	-	-	-	-
-	-	-	-	-	346,125	13,650
<u>(8,960)</u>	<u>561,634</u>	<u>(130,907)</u>	<u>61,024</u>	<u>301,588</u>	<u>33,334</u>	<u>316</u>
<u>20,848</u>	<u>1,105,575</u>	<u>130,907</u>	<u>763,160</u>	<u>839,128</u>	<u>369,311</u>	<u>19,597</u>
<u>\$ 11,888</u>	<u>\$ 1,667,209</u>	<u>\$ -</u>	<u>\$ 824,184</u>	<u>\$ 1,140,716</u>	<u>\$ 402,645</u>	<u>\$ 19,913</u>

*Combined fund financial statements. Combining statements for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>
	<u>Landscape Beautification</u>	<u>Tax Increment Financing</u>	<u>Total Special Revenue Funds</u>	<u>Park Development</u>
Revenues				
Taxes, penalties and interest	\$ -	\$ 767,004	\$ 4,038,429	\$ -
Franchise fees	-	-	67,513	-
Intergovernmental	-	-	32,907	-
Charges for services	3,411,468	-	4,287,431	-
Fines and forfeitures	-	-	147,836	-
Investment earnings	70,393	59,650	404,158	8,286
Grants and donations	-	-	66,647	-
Miscellaneous	210,680	-	297,286	7,640
Total revenues	3,692,541	826,654	9,342,207	15,926
Expenditures				
Current				
Public safety	-	-	2,552,293	-
Community services	2,961,853	-	4,247,945	-
Principal retirement	-	-	133,939	-
Capital outlay	17,202	-	131,696	30,333
Total expenditures	2,979,055	-	7,065,873	30,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	713,486	826,654	2,276,334	(14,407)
Other Financing Sources (Uses)				
Transfers in	-	-	359,775	-
Transfers out	(250,000)	-	(250,000)	-
Total other financing sources (uses)	(250,000)	-	109,775	-
Net Change in Fund Balances	463,486	826,654	2,386,109	(14,407)
Fund Balances, Beginning of Year	1,817,747	1,383,172	8,231,465	222,171
Fund Balances (Deficit), End of Year	\$ 2,281,233	\$ 2,209,826	\$ 10,617,574	\$ 207,764

Capital Projects Funds

	Restricted Street	Economic Development Incentive	Street Construction	Downtown City Center	Building Maintenance	Drainage	Regional Drainage
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	14,616	10,758	95,216	21,747	151,356	117,503	7,253
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	14,616	10,758	95,216	21,747	151,356	117,503	7,253
	-	-	-	-	-	-	-
	-	-	-	3,307	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	3,307	-	-	-
	14,616	10,758	95,216	18,440	151,356	117,503	7,253
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	14,616	10,758	95,216	18,440	151,356	117,503	7,253
	395,625	307,163	3,139,877	622,389	3,399,744	3,387,298	196,336
\$	410,241	\$ 317,921	\$ 3,235,093	\$ 640,829	\$ 3,551,100	\$ 3,504,801	\$ 203,589

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	<u>Capital Projects Funds</u>		
	<u>Capital Recovery</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Taxes, penalties and interest	\$ -	\$ -	\$ 4,038,429
Franchise fees	-	-	67,513
Intergovernmental	-	-	32,907
Charges for services	-	-	4,287,431
Fines and forfeitures	-	-	147,836
Investment earnings	281,640	708,375	1,112,533
Grants and donations	-	-	66,647
Miscellaneous	1,079,610	1,087,250	1,384,536
	<u>1,361,250</u>	<u>1,795,625</u>	<u>11,137,832</u>
Total revenues			
Expenditures			
Current			
Public safety	-	-	2,552,293
Community services	-	3,307	4,251,252
Principal retirement	-	-	133,939
Capital outlay	85,480	115,813	247,509
	<u>85,480</u>	<u>119,120</u>	<u>7,184,993</u>
Total expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,275,770</u>	<u>1,676,505</u>	<u>3,952,839</u>
Other Financing Sources (Uses)			
Transfers in	-	-	359,775
Transfers out	-	-	(250,000)
	<u>-</u>	<u>-</u>	<u>109,775</u>
Total other financing sources (uses)			
Net Change in Fund Balances	1,275,770	1,676,505	4,062,614
Fund Balances, Beginning of Year	<u>6,861,712</u>	<u>18,532,315</u>	<u>26,763,780</u>
Fund Balances (Deficit), End of Year	<u>\$ 8,137,482</u>	<u>\$ 20,208,820</u>	<u>\$ 30,826,394</u>

**City of Cedar Hill, Texas
Combining Balance Sheet
Public Improvement Districts
September 30, 2023**

	Public Improvement Districts					Total Public Improvement Districts
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	Cedar Crest PID	
Assets						
Cash, cash equivalents and investments	\$ 861,983	\$ 483,631	\$ 105,000	\$ 213,740	\$ 255,983	\$ 1,920,337
Receivables (net, where applicable, of allowances for uncollectibles)	33,019	10,463	2,852	541	648	47,523
Prepays	-	-	-	1,500	-	1,500
Total assets	<u>\$ 895,002</u>	<u>\$ 494,094</u>	<u>\$ 107,852</u>	<u>\$ 215,781</u>	<u>\$ 256,631</u>	<u>\$ 1,969,360</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)						
Liabilities						
Accounts payable	\$ 6,881	\$ 5,030	\$ 489	\$ 4,945	\$ 917	\$ 18,262
Accrued expenses	-	1,163	-	-	92	1,255
Interfund loan payable	-	-	238,689	-	-	238,689
Total liabilities	<u>6,881</u>	<u>6,193</u>	<u>239,178</u>	<u>4,945</u>	<u>1,009</u>	<u>258,206</u>
Deferred Inflows of Resources						
Unavailable revenue - property tax	<u>29,440</u>	<u>10,463</u>	<u>2,853</u>	<u>540</u>	<u>649</u>	<u>43,945</u>
Total deferred inflows of resources	<u>29,440</u>	<u>10,463</u>	<u>2,853</u>	<u>540</u>	<u>649</u>	<u>43,945</u>
Fund Balances (Deficit)						
Nonspendable for						
Prepays	-	-	-	1,500	-	1,500
Restricted for						
Community services	858,681	477,438	-	208,796	254,973	1,799,888
Unassigned	-	-	(134,179)	-	-	(134,179)
Total fund balances (deficit)	<u>858,681</u>	<u>477,438</u>	<u>(134,179)</u>	<u>210,296</u>	<u>254,973</u>	<u>1,667,209</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 895,002</u>	<u>\$ 494,094</u>	<u>\$ 107,852</u>	<u>\$ 215,781</u>	<u>\$ 256,631</u>	<u>\$ 1,969,360</u>

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Public Improvement Districts
For the Year Ended September 30, 2023

	Public Improvement Districts					Total Public Improvement Districts
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	Cedar Crest PID	
Revenues						
Taxes	\$ 742,958	\$ 236,410	\$ 71,374	\$ 143,499	\$ 172,182	\$ 1,366,423
Intergovernmental	20,000	3,300	-	-	-	23,300
Investment earnings	31,710	17,734	4,364	7,956	9,100	70,864
Miscellaneous	5,407	-	1,451	19,425	-	26,283
Total revenues	<u>800,075</u>	<u>257,444</u>	<u>77,189</u>	<u>170,880</u>	<u>181,282</u>	<u>1,486,870</u>
Expenditures						
Current						
Community services	500,263	155,550	27,233	113,799	50,597	847,442
Capital outlay	10,704	54,110	-	-	12,980	77,794
Total expenditures	<u>510,967</u>	<u>209,660</u>	<u>27,233</u>	<u>113,799</u>	<u>63,577</u>	<u>925,236</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>289,108</u>	<u>47,784</u>	<u>49,956</u>	<u>57,081</u>	<u>117,705</u>	<u>561,634</u>
Changes in Fund Balance (Deficit)	289,108	47,784	49,956	57,081	117,705	561,634
Fund Balances (Deficit), Beginning of Year	<u>569,573</u>	<u>429,654</u>	<u>(184,135)</u>	<u>153,215</u>	<u>137,268</u>	<u>1,105,575</u>
Fund Balances (Deficit), End of Year	<u>\$ 858,681</u>	<u>\$ 477,438</u>	<u>\$ (134,179)</u>	<u>\$ 210,296</u>	<u>\$ 254,973</u>	<u>\$ 1,667,209</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	\$ 9,172,670	\$ 9,172,670	\$ 9,366,662	\$ 193,992
Intergovernmental	2,106,569	2,106,569	2,106,569	-
Investment earnings	15,300	15,300	120,342	105,042
Total revenues	<u>11,294,539</u>	<u>11,294,539</u>	<u>11,593,573</u>	<u>299,034</u>
Expenditures				
Debt service				
Principal retirement	8,335,000	8,335,000	8,335,000	-
Interest and fiscal charges	3,312,243	3,312,243	3,316,544	(4,301)
Total expenditures	<u>11,647,243</u>	<u>11,647,243</u>	<u>11,651,544</u>	<u>(4,301)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(352,704)</u>	<u>(352,704)</u>	<u>(57,971)</u>	<u>294,733</u>
Other Financing Sources (Uses)				
Transfers in	441,350	441,350	-	(441,350)
Total other financing sources (uses)	<u>441,350</u>	<u>441,350</u>	<u>-</u>	<u>(441,350)</u>
Net Change in Fund Balances (Deficit)	88,646	88,646	(57,971)	(146,617)
Fund Balances (Deficit), Beginning of Year	<u>1,632,600</u>	<u>1,632,600</u>	<u>1,632,600</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,721,246</u>	<u>\$ 1,721,246</u>	<u>\$ 1,574,629</u>	<u>\$ (146,617)</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Police Forfeiture Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 2,630	\$ 2,630	\$ 51,422	\$ 48,792
Investment earnings	370	370	12,175	11,805
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>63,597</u>	<u>60,597</u>
Expenditures				
Public safety	<u>23,720</u>	<u>23,720</u>	<u>55,721</u>	<u>(32,001)</u>
Total expenditures	<u>23,720</u>	<u>23,720</u>	<u>55,721</u>	<u>(32,001)</u>
Net Change in Fund Balances (Deficit)	(20,720)	(20,720)	7,876	28,596
Fund Balances (Deficit), Beginning of Year	<u>318,227</u>	<u>318,227</u>	<u>318,227</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 297,507</u>	<u>\$ 297,507</u>	<u>\$ 326,103</u>	<u>\$ 28,596</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Hotel Occupancy Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	\$ 425,000	\$ 425,000	\$ 476,744	\$ 51,744
Investment earnings	5,100	5,100	41,990	36,890
Miscellaneous	58,750	58,750	59,793	1,043
Total revenues	<u>488,850</u>	<u>488,850</u>	<u>578,527</u>	<u>89,677</u>
Expenditures				
Community services	<u>481,179</u>	<u>481,179</u>	396,338	84,841
Total expenditures	<u>481,179</u>	<u>481,179</u>	<u>396,338</u>	<u>84,841</u>
Net Change in Fund Balances (Deficit)	7,671	7,671	182,189	174,518
Fund Balances (Deficit), Beginning of Year	<u>1,023,196</u>	<u>1,023,196</u>	<u>1,023,196</u>	-
Fund Balances (Deficit), End of Year	<u><u>\$ 1,030,867</u></u>	<u><u>\$ 1,030,867</u></u>	<u><u>\$ 1,205,385</u></u>	<u><u>\$ 174,518</u></u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Municipal Court Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	\$ 47,800	\$ 47,800	\$ 39,439	\$ (8,361)
Investment earnings	-	-	2,708	2,708
Total revenues	<u>47,800</u>	<u>47,800</u>	<u>42,147</u>	<u>(5,653)</u>
Expenditures				
Public safety	25,063	25,063	6,583	18,480
Principal retirement	-	-	18,081	(18,081)
Total expenditures	<u>25,063</u>	<u>25,063</u>	<u>24,664</u>	<u>399</u>
Net Change in Fund Balances (Deficit)	<u>22,737</u>	<u>22,737</u>	<u>17,483</u>	<u>(5,254)</u>
Fund Balances (Deficit), Beginning of Year	<u>68,327</u>	<u>68,327</u>	<u>68,327</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u><u>\$ 91,064</u></u>	<u><u>\$ 91,064</u></u>	<u><u>\$ 85,810</u></u>	<u><u>\$ (5,254)</u></u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Library Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 9,607	\$ 9,607
Investment earnings	200	200	358	158
Grants and donations	20,400	20,400	23,387	2,987
	<u>20,600</u>	<u>20,600</u>	<u>33,352</u>	<u>12,752</u>
Total revenues				
Expenditures				
Community services	30,500	30,500	42,312	(11,812)
	<u>30,500</u>	<u>30,500</u>	<u>42,312</u>	<u>(11,812)</u>
Total expenditures				
Net Change in Fund Balances (Deficit)	(9,900)	(9,900)	(8,960)	940
Fund Balances (Deficit), Beginning of Year	20,848	20,848	20,848	-
Fund Balances (Deficit), End of Year	<u>\$ 10,948</u>	<u>\$ 10,948</u>	<u>\$ 11,888</u>	<u>\$ 940</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Public Improvement Districts
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	\$ 1,161,650	\$ 1,161,650	\$ 1,366,423	\$ 204,773
Intergovernmental	-	-	23,300	23,300
Investment earnings	5,630	5,630	70,864	65,234
Miscellaneous	23,900	23,900	26,283	2,383
Total revenues	<u>1,191,180</u>	<u>1,191,180</u>	<u>1,486,870</u>	<u>295,690</u>
Expenditures				
Community services	683,024	683,024	847,442	(164,418)
Capital outlay	429,842	429,842	77,794	352,048
Total expenditures	<u>1,112,866</u>	<u>1,112,866</u>	<u>925,236</u>	<u>187,630</u>
Net Change in Fund Balances (Deficit)	78,314	78,314	561,634	483,320
Fund Balances (Deficit), Beginning of Year	<u>1,105,575</u>	<u>1,105,575</u>	<u>1,105,575</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 1,183,889</u>	<u>\$ 1,183,889</u>	<u>\$ 1,667,209</u>	<u>\$ 483,320</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Traffic Safety Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	\$ 200	\$ 200	\$ 2,906	\$ 2,706
Total revenues	<u>200</u>	<u>200</u>	<u>2,906</u>	<u>2,706</u>
Expenditures				
Public safety	135,400	135,400	17,955	117,445
Principal retirement	-	-	115,858	(115,858)
Total expenditures	<u>135,400</u>	<u>135,400</u>	<u>133,813</u>	<u>1,587</u>
Net Change in Fund Balances (Deficit)	(135,200)	(135,200)	(130,907)	4,293
Fund Balances (Deficit), Beginning of Year	<u>130,907</u>	<u>130,907</u>	<u>130,907</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ (4,293)</u>	<u>\$ (4,293)</u>	<u>\$ -</u>	<u>\$ 4,293</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Crime Control and Prevention District
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	\$ 1,379,799	\$ 1,379,799	\$ 1,428,258	\$ 48,459
Fines and forfeitures	45,000	45,000	56,975	11,975
Investment earnings	1,200	1,200	29,463	28,263
Miscellaneous	-	-	500	500
Total revenues	<u>1,425,999</u>	<u>1,425,999</u>	<u>1,515,196</u>	<u>89,197</u>
Expenditures				
Public safety	<u>1,355,871</u>	<u>1,355,871</u>	<u>1,213,608</u>	<u>142,263</u>
Total expenditures	<u>1,355,871</u>	<u>1,355,871</u>	<u>1,213,608</u>	<u>142,263</u>
Net Change in Fund Balances (Deficit)	70,128	70,128	301,588	231,460
Fund Balances (Deficit), Beginning of Year	<u>839,128</u>	<u>839,128</u>	<u>839,128</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 909,256</u>	<u>\$ 909,256</u>	<u>\$ 1,140,716</u>	<u>\$ 231,460</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Animal Shelter Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 1,216,325	\$ 1,216,325	\$ 835,013	\$ (381,312)
Investment earnings	3,400	3,400	12,603	9,203
Grants and donations	45,000	45,000	43,260	(1,740)
Miscellaneous	-	-	30	30
Total revenues	<u>1,264,725</u>	<u>1,264,725</u>	<u>890,906</u>	<u>(373,819)</u>
Expenditures				
Public safety	<u>1,214,177</u>	<u>1,214,177</u>	<u>1,203,697</u>	<u>10,480</u>
Total expenditures	<u>1,214,177</u>	<u>1,214,177</u>	<u>1,203,697</u>	<u>10,480</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50,548</u>	<u>50,548</u>	<u>(312,791)</u>	<u>(363,339)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	346,125	346,125
Transfers out	<u>(91,350)</u>	<u>(91,350)</u>	<u>-</u>	<u>91,350</u>
Total other financing sources (uses)	<u>(91,350)</u>	<u>(91,350)</u>	<u>346,125</u>	<u>437,475</u>
Net Change in Fund Balances (Deficit)	<u>(40,802)</u>	<u>(40,802)</u>	<u>33,334</u>	<u>74,136</u>
Fund Balances (Deficit), Beginning of Year	<u>369,311</u>	<u>369,311</u>	<u>369,311</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 328,509</u>	<u>\$ 328,509</u>	<u>\$ 402,645</u>	<u>\$ 74,136</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Regional Fire Training Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 54,800	\$ 54,800	\$ 40,950	\$ (13,850)
Investment earnings	-	-	445	445
Total revenues	<u>54,800</u>	<u>54,800</u>	<u>41,395</u>	<u>(13,405)</u>
Expenditures				
Public safety	<u>54,600</u>	<u>54,600</u>	<u>54,729</u>	<u>(129)</u>
Total expenditures	<u>54,600</u>	<u>54,600</u>	<u>54,729</u>	<u>(129)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>200</u>	<u>200</u>	<u>(13,334)</u>	<u>(13,534)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	13,650	13,650
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>13,650</u>	<u>13,650</u>
Net Change in Fund Balances (Deficit)	200	200	316	116
Fund Balances (Deficit), Beginning of Year	<u>19,597</u>	<u>19,597</u>	<u>19,597</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 19,797</u>	<u>\$ 19,797</u>	<u>\$ 19,913</u>	<u>\$ 116</u>

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Landscape Beautification Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 3,672,769	\$ 3,672,769	\$ 3,411,468	\$ (261,301)
Investment earnings	3,600	3,600	70,393	66,793
Miscellaneous	23,413	23,413	210,680	187,267
Total revenues	<u>3,699,782</u>	<u>3,699,782</u>	<u>3,692,541</u>	<u>(7,241)</u>
Expenditures				
Community services	3,147,078	3,147,078	2,961,853	185,225
Capital outlay	-	-	17,202	(17,202)
Total expenditures	<u>3,147,078</u>	<u>3,147,078</u>	<u>2,979,055</u>	<u>168,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>552,704</u>	<u>552,704</u>	<u>713,486</u>	<u>160,782</u>
Other Financing Sources (Uses)				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balances (Deficit)	302,704	302,704	463,486	160,782
Fund Balances (Deficit), Beginning of Year	<u>1,817,747</u>	<u>1,817,747</u>	<u>1,817,747</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 2,120,451</u>	<u>\$ 2,120,451</u>	<u>\$ 2,281,233</u>	<u>\$ 160,782</u>

City of Cedar Hill, Texas
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual - JPL Permanent Fund
For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ 186,400	\$ 186,400	\$ 740,460	\$ 554,060
Interest earnings				
Total revenues	<u>186,400</u>	<u>186,400</u>	<u>740,460</u>	<u>554,060</u>
Expenditures				
Community services	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>178,900</u>	<u>178,900</u>	<u>740,460</u>	<u>546,560</u>
Other Financing Sources (Uses)				
Transfer out	<u>(34,372)</u>	<u>(34,372)</u>	<u>-</u>	<u>34,372</u>
Total other financing sources (uses)	<u>(34,372)</u>	<u>(34,372)</u>	<u>-</u>	<u>34,372</u>
Net Change in Fund Balances	144,528	144,528	740,460	580,932
Fund Balances, Beginning of Year	<u>19,410,861</u>	<u>19,410,861</u>	<u>19,410,861</u>	<u>34,372</u>
Fund Balances, End of Year	<u>\$ 19,555,389</u>	<u>\$ 19,555,389</u>	<u>\$ 20,151,321</u>	<u>\$ 615,304</u>

City of Cedar Hill, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2023

	<u>Equipment Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 3,341,395	\$ 2,149,334	\$ 5,490,729
Receivables	20,100	37,922	58,022
Total current assets	<u>3,361,495</u>	<u>2,187,256</u>	<u>5,548,751</u>
Noncurrent assets			
Capital, lease and subscription assets, net	<u>2,264,587</u>	-	<u>2,264,587</u>
Total noncurrent assets	<u>2,264,587</u>	-	<u>2,264,587</u>
Total assets	<u>5,626,082</u>	<u>2,187,256</u>	<u>7,813,338</u>
Liabilities			
Current liabilities			
Accounts and contracts payable	198,388	-	198,388
Unpaid claims liabilities	-	660,602	660,602
Total current liabilities	<u>198,388</u>	<u>660,602</u>	<u>858,990</u>
Total liabilities	<u>198,388</u>	<u>660,602</u>	<u>858,990</u>
Net Position			
Net investment in capital assets	2,087,285	-	2,087,285
Unrestricted	<u>3,340,409</u>	<u>1,526,654</u>	<u>4,867,063</u>
Total net position	<u>\$ 5,427,694</u>	<u>\$ 1,526,654</u>	<u>\$ 6,954,348</u>

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2023

	<u>Equipment Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
Operating Revenues			
City and employee contributions	\$ -	\$ 4,120,775	\$ 4,120,775
Miscellaneous revenue	1,142,020	145,480	1,287,500
Total operating revenues	<u>1,142,020</u>	<u>4,266,255</u>	<u>5,408,275</u>
Operating Expenses			
Depreciation and amortization	903,123	-	903,123
Materials and supplies	91,654	-	91,654
Claims paid and change in estimate	-	3,618,323	3,618,323
Administrative and fiscal services	-	875,179	875,179
Miscellaneous expense	-	116,245	116,245
Total operating expenses	<u>994,777</u>	<u>4,609,747</u>	<u>5,604,524</u>
Operating Income (Loss)	<u>147,243</u>	<u>(343,492)</u>	<u>(196,249)</u>
Nonoperating Revenues (Expenses)			
Investment income	117,752	71,683	189,435
Gain on retirement of capital assets	15,770	-	15,770
Total nonoperating revenues (expenses)	<u>133,522</u>	<u>71,683</u>	<u>205,205</u>
Change in Net Position	280,765	(271,809)	8,956
Net Position, Beginning of Year	<u>5,146,929</u>	<u>1,798,463</u>	<u>6,945,392</u>
Net Position, End of Year	<u>\$ 5,427,694</u>	<u>\$ 1,526,654</u>	<u>\$ 6,954,348</u>

City of Cedar Hill, Texas
Internal Services Fund
Combining Statement of Cash Flows
For the Year Ended September 30, 2023

	<u>Equipment Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
Cash Flows from Operating Activities			
Cash received from interfund charges for services	\$ 1,320,308	\$ -	\$ 1,320,308
Cash received from city and employee contributions	-	4,120,775	4,120,775
Cash received from the wellness program	-	107,558	107,558
Cash paid to suppliers	(91,654)	-	(91,654)
Cash payments for claims	-	(3,304,951)	(3,304,951)
Cash payments for administrative and fiscal services	-	(991,424)	(991,424)
Net cash provided by (used for) operating activities	<u>1,228,654</u>	<u>(68,042)</u>	<u>1,160,612</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(393,328)	-	(393,328)
Proceeds from sales of assets	15,770	-	15,770
Net cash provided by (used for) capital and related financing activities	<u>(377,558)</u>	<u>-</u>	<u>(377,558)</u>
Cash Flows from Investing Activities			
Interest received	117,752	71,683	189,435
Net cash provided by investing activities	<u>117,752</u>	<u>71,683</u>	<u>189,435</u>
Increase in Cash and Cash Equivalents	968,848	3,641	972,489
Cash and Cash Equivalents, Beginning of Year	<u>2,372,547</u>	<u>2,145,693</u>	<u>4,518,240</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,341,395</u>	<u>\$ 2,149,334</u>	<u>\$ 5,490,729</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Operating income (loss)	\$ 147,243	\$ (343,492)	\$ (196,249)
Depreciation and amortization	903,123	-	903,123
Changes in operating assets and liabilities			
Decrease (increase) in receivables	(20,100)	(37,922)	(58,022)
Increase (decrease) in accounts payable	198,388	-	198,388
Increase (decrease) in claims liabilities	-	313,372	313,372
Net cash provided by (used for) operating activities	<u>\$ 1,228,654</u>	<u>\$ (68,042)</u>	<u>\$ 1,160,612</u>
Schedule of Non-Cash Capital and Related Financing Activities:			
Capital assets in accounts payable	\$ 177,302	\$ -	\$ 177,302

City of Cedar Hill, Texas
Balance Sheet
Component Units
September 30, 2023

	Community Development Corporation	Economic Development Corporation
Assets		
Cash, cash equivalents and investments	\$ 12,211,469	\$ 11,466,060
Receivables		
Taxes	939,470	704,603
Miscellaneous	161,811	36,667
Prepays	-	5,000
	<u> </u>	<u> </u>
Total assets	<u>\$ 13,312,750</u>	<u>\$ 12,212,330</u>
Liabilities		
Accounts payable	\$ 99,597	\$ 420,651
Accrued liabilities	109,840	23,048
Retainage payable	39,279	-
Unearned revenue	114,867	-
	<u> </u>	<u> </u>
Total liabilities	<u>363,583</u>	<u>443,699</u>
Deferred Inflows of Resources		
Unavailable revenues	76,011	-
	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>76,011</u>	<u>-</u>
Fund Balances		
Nonspendable	-	5,000
Restricted	12,873,156	11,763,631
	<u> </u>	<u> </u>
Total fund balances	<u>12,873,156</u>	<u>11,768,631</u>
	<u> </u>	<u> </u>
Total liabilities, deferred inflows and fund balances	<u>\$ 13,312,750</u>	<u>\$ 12,212,330</u>

**Cedar Hill Community Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Balance Sheet to
the Statement of Net Position
September 30, 2023**

Total Fund Balances - Governmental Funds	\$ 12,873,156
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	4,675,184
Revenues earned but not available within sixty days of fiscal year-end are not recognized as revenue in the governmental funds financial statements.	76,011
Deferred outflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.	506,608
Deferred inflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.	(78,141)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of	
Compensated absences	(59,271)
Net pension liability	(811,888)
OPEB liability	(112,094)
	<hr/>
Total Net Position - Governmental Activities	\$ 17,069,565 <hr/>

Cedar Hill Economic Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Balance Sheet to
the Statement of Net Position
As of September 30, 2023

Total Fund Balances - Governmental Funds	\$ 11,768,631
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	3,641,700
Deferred outflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.	167,374
Deferred inflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.	(23,060)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of	
Compensated absences	(25,233)
Net pension liability	(270,629)
OPEB liability	(33,341)
	<hr/>
Total Net Position - Governmental Activities	<u><u>\$ 15,225,442</u></u>

City of Cedar Hill, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Units
For the Year Ended September 30, 2023

	Community Development Corporation	Economic Development Corporation
Revenues		
Taxes	\$ 5,730,188	\$ 4,297,641
Charges for services	505,739	66,600
Investment earnings, net	491,868	461,775
Grants and donations	526,528	-
Miscellaneous	75,667	2,500
Total revenues	<u>7,329,990</u>	<u>4,828,516</u>
Expenditures		
Community services	4,166,056	5,125,510
Capital outlay	977,513	-
Total expenditures	<u>5,143,569</u>	<u>5,125,510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,186,421</u>	<u>(296,994)</u>
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	8,725	-
Total other financing sources (uses)	<u>8,725</u>	<u>-</u>
Change in Fund Balances	2,195,146	(296,994)
Fund Balances, Beginning of Year	<u>10,678,010</u>	<u>12,065,625</u>
Fund Balances, End of Year	<u>\$ 12,873,156</u>	<u>\$ 11,768,631</u>

**Cedar Hill Community Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
to the Statement of Activities
For the Year Ended September 30, 2023**

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 2,195,146
Change in revenues not considered available in the governmental funds.	76,011
Capital assets used in governmental activities are not financial resources; therefore, are not reported as assets in fund financial statements. Capital assets are reported in the government-wide financial statements.	977,513
The net effect of various transactions involving capital assets (i.e. sales and contributions to the City) is to decrease net position.	(646,536)
Current year changes in certain long-term liabilities (do)/do not require the use of current financial resources and, therefore, are/(are not) reported as expenditures in governmental funds.	
Net Pension liability and related deferred outflows and inflows of resources	(344,334)
Total OPEB liability and related deferred outflows and inflows of resources	(41,453)
Compensated absences liability	<u>18,466</u>
Change in Net Position of Governmental Activities	<u><u>\$ 2,234,813</u></u>

Cedar Hill Economic Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
to the Statement of Activities
For the Year Ended September 30, 2023

Net Changes in Fund Balances - Total Governmental Funds	\$ (296,994)
Depreciation expense on capital assets is reported in the government-wide statements of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(3,725)
Long-term loans forgiven in the current year are not shown in the fund financial statements but are shown as decreases to loan receivable in the government-wide financial statements.	(92,500)
Current year changes in certain long-term liabilities (do)/do not require the use of current financial resources and, therefore, are/(are not) reported as expenditures in governmental funds.	
Net Pension liability and related deferred outflows and inflows of resources	(114,778)
Total OPEB liability and related deferred outflows and inflows of resources	(13,529)
Compensated absences liability	<u>5,934</u>
Change in Net Position of Governmental Activities	<u><u>\$ (515,592)</u></u>



Statistical Section (Unaudited)



Statistical Section (Unaudited)

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Cedar Hill's overall financial health.

Financial Trends Information - information to help the reader understand how the City's financial performance and well-being have changed over time.

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

Revenue Capacity Information - information to help the reader assess the City's most significant local revenue source, the property tax.

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

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

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

Demographic and Economic Information - information to help the reader understand the environment within which the City's financial activities take place, and to help make comparisons over time and with other governments.

- 14 Demographic and economic statistics
- 15 Principal employers

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

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

City of Cedar Hill, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net invested in capital assets	\$ 75,744,968	\$ 80,025,249	\$ 83,215,449	\$ 109,712,318
Restricted	9,967,610	10,511,210	8,394,131	11,582,583
Unrestricted	13,484,943	1,871,573	1,966,112	17,843,316
Total governmental activities net position	<u>\$ 99,197,521</u>	<u>\$ 92,408,032</u>	<u>\$ 93,575,692</u>	<u>\$ 139,138,217</u>
Business-type activities				
Net invested in capital assets	\$ 45,480,236	\$ 46,927,843	\$ 45,050,487	\$ 46,893,008
Restricted	4,048,531	3,133,733	1,792,767	1,681,967
Unrestricted	6,970,564	6,644,886	7,420,834	6,713,795
Total business-type activities net position	<u>\$ 56,499,331</u>	<u>\$ 56,706,462</u>	<u>\$ 54,264,088</u>	<u>\$ 55,288,770</u>
Primary government				
Net invested in capital assets	\$ 121,225,204	\$ 126,953,092	\$ 128,265,936	\$ 156,605,326
Restricted	14,016,141	13,644,943	10,186,898	13,264,550
Unrestricted	20,455,507	8,516,459	9,386,946	24,557,111
Total primary government net position	<u>\$ 155,696,852</u>	<u>\$ 149,114,494</u>	<u>\$ 147,839,780</u>	<u>\$ 194,426,987</u>

Source: Annual Comprehensive Financial Reports

2018	2019	2020	2021	2022	2023
\$ 106,180,335	\$ 105,638,798	\$ 113,337,277	\$ 115,295,739	\$ 121,149,233	\$ 113,589,648
17,678,071	44,459,438	29,757,843	31,087,683	32,859,438	45,198,648
17,850,181	(5,934,956)	4,148,935	8,973,246	16,267,366	20,087,747
<u>\$ 141,708,587</u>	<u>\$ 144,163,280</u>	<u>\$ 147,244,055</u>	<u>\$ 155,356,668</u>	<u>\$ 170,276,037</u>	<u>\$ 178,876,043</u>
\$ 46,436,363	\$ 44,824,224	\$ 45,871,100	\$ 45,511,467	\$ 45,546,705	\$ 44,851,274
3,859,296	5,383,604	1,850,905	1,656,333	698,996	1,715,616
4,894,933	4,693,298	5,908,426	5,898,037	9,850,745	13,996,430
<u>\$ 55,190,592</u>	<u>\$ 54,901,126</u>	<u>\$ 53,630,431</u>	<u>\$ 53,065,837</u>	<u>\$ 56,096,446</u>	<u>\$ 60,563,320</u>
\$ 152,616,698	\$ 150,463,022	\$ 159,208,377	\$ 160,807,206	\$ 166,695,938	\$ 158,440,922
21,537,367	49,843,042	31,608,748	32,744,016	33,558,434	46,914,264
22,745,114	(1,241,658)	10,057,361	14,871,283	26,118,111	34,084,177
<u>\$ 196,899,179</u>	<u>\$ 199,064,406</u>	<u>\$ 200,874,486</u>	<u>\$ 208,422,505</u>	<u>\$ 226,372,483</u>	<u>\$ 239,439,363</u>

City of Cedar Hill, Texas
Changes in Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses				
Governmental activities				
General government	\$ 6,048,611	\$ 6,722,301	\$ 6,767,213	\$ 6,947,494
Public works	6,696,307	11,736,039	11,441,834	5,008,051
Public safety	21,050,888	22,189,531	24,862,491	25,618,102
Community services	7,058,519	7,865,226	8,430,316	9,280,829
Interest and fiscal charges	6,977,022	2,907,619	2,405,818	1,874,383
Total governmental activities expenses	<u>47,831,347</u>	<u>51,420,716</u>	<u>53,907,672</u>	<u>48,728,859</u>
Business-type activities				
Water and sewer	15,772,743	16,415,804	18,221,821	17,708,700
Total business-type activities expenses	<u>15,772,743</u>	<u>16,415,804</u>	<u>18,221,821</u>	<u>17,708,700</u>
Total primary government expenses	<u>\$ 63,604,090</u>	<u>\$ 67,836,520</u>	<u>\$ 72,129,493</u>	<u>\$ 66,437,559</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 464,192	\$ 716,293	\$ 870,839	\$ 843,914
Public works	366,992	100,870	316,432	114,914
Public safety	4,096,762	6,019,903	5,254,150	5,550,066
Community services	2,717,031	3,036,202	3,224,479	3,525,792
Operating grants and contributions	1,740,421	2,001,494	2,666,399	2,537,822
Capital grants and contributions	5,186,398	1,048,364	4,457,074	1,511,933
Total governmental activities program revenues	<u>14,571,796</u>	<u>12,923,126</u>	<u>16,789,373</u>	<u>14,084,441</u>
Business-type activities				
Charges for services	17,382,937	18,685,787	17,415,597	17,759,404
Capital grants and contributions	631,981	257,513	380,971	1,794,910
Total business-type activities program revenues	<u>18,014,918</u>	<u>18,943,300</u>	<u>17,796,568</u>	<u>19,554,314</u>
Total primary government program revenues	<u>\$ 32,586,714</u>	<u>\$ 31,866,426</u>	<u>\$ 34,585,941</u>	<u>\$ 33,638,755</u>
Net (Expense)/Revenue				
Governmental activities	\$ (33,259,551)	\$ (38,497,590)	\$ (37,118,299)	\$ (34,644,418)
Business-type activities	2,242,175	2,527,496	(425,253)	1,845,614
Total primary government net expense	<u>\$ (31,017,376)</u>	<u>\$ (35,970,094)</u>	<u>\$ (37,543,552)</u>	<u>\$ (32,798,804)</u>

Source: Annual Comprehensive Financial Reports

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 6,960,889	\$ 7,123,089	\$ 7,262,308	\$ 8,024,191	\$ 7,904,246	\$ 9,225,565
7,021,452	4,879,498	6,012,302	3,854,279	2,971,779	7,707,628
25,902,749	29,519,851	29,376,740	32,659,514	31,768,864	34,798,633
10,800,462	11,409,000	11,574,016	11,780,395	18,801,873	12,346,000
1,910,803	2,431,803	2,524,393	2,565,869	2,317,319	3,524,879
<u>52,596,355</u>	<u>55,363,241</u>	<u>56,749,759</u>	<u>58,884,248</u>	<u>63,764,081</u>	<u>67,602,705</u>
<u>17,848,255</u>	<u>18,832,771</u>	<u>20,003,612</u>	<u>19,859,042</u>	<u>21,594,363</u>	<u>22,761,091</u>
<u>17,848,255</u>	<u>18,832,771</u>	<u>20,003,612</u>	<u>19,859,042</u>	<u>21,594,363</u>	<u>22,761,091</u>
<u>\$ 70,444,610</u>	<u>\$ 74,196,012</u>	<u>\$ 76,753,371</u>	<u>\$ 78,743,290</u>	<u>\$ 85,358,444</u>	<u>\$ 90,363,796</u>
\$ 779,978	\$ 788,815	\$ 787,083	\$ 817,149	\$ 918,194	\$ 444,491
192,082	126,256	102,698	176,105	360,154	285,858
5,588,368	5,733,331	5,334,068	5,729,124	6,599,816	3,784,395
3,745,336	3,960,314	3,652,192	4,439,243	5,511,630	5,187,045
4,374,471	3,824,331	4,940,619	5,067,806	4,626,678	4,651,946
1,095,938	853,951	535,687	2,421,295	6,727,756	1,090,180
<u>15,776,173</u>	<u>15,286,998</u>	<u>15,352,347</u>	<u>18,650,722</u>	<u>24,744,228</u>	<u>15,443,915</u>
18,621,798	17,997,411	18,504,639	19,222,674	24,051,862	25,865,260
357,101	480,156	333,270	318,748	843,763	1,016,620
<u>18,978,899</u>	<u>18,477,567</u>	<u>18,837,909</u>	<u>19,541,422</u>	<u>24,895,625</u>	<u>26,881,880</u>
<u>\$ 34,755,072</u>	<u>\$ 33,764,565</u>	<u>\$ 34,190,256</u>	<u>\$ 38,192,144</u>	<u>\$ 49,639,853</u>	<u>\$ 42,325,795</u>
\$ (36,820,182)	\$ (40,076,243)	\$ (41,397,412)	\$ (40,233,526)	\$ (39,019,853)	\$ (52,158,790)
1,130,644	(355,204)	(1,165,703)	(317,620)	3,301,262	4,120,789
<u>\$ (35,689,538)</u>	<u>\$ (40,431,447)</u>	<u>\$ (42,563,115)</u>	<u>\$ (40,551,146)</u>	<u>\$ (35,718,591)</u>	<u>\$ (48,038,001)</u>

City of Cedar Hill, Texas
Changes in Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 19,198,820	\$ 20,322,289	\$ 21,222,889	\$ 22,809,120
Sales and use taxes	7,610,173	8,075,632	8,674,970	8,903,958
Hotel/motel taxes	213,130	220,746	223,330	301,690
Franchise fees	3,603,799	3,855,211	2,990,157	4,000,294
Grants not restricted to specific programs	-	-	-	-
Investment earnings	3,068,688	1,305,343	1,497,708	268,574
Gain on disposal of property	15,704	86,420	(12,968)	(67,853)
Miscellaneous	231,287	340,555	508,136	926,523
Transfers	1,800,000	1,800,000	2,059,800	924,956
Gain on Joe Pool payment agreement	-	-	-	42,139,681
Total governmental activities	<u>35,741,601</u>	<u>36,006,196</u>	<u>37,164,022</u>	<u>80,206,943</u>
Business-type activities				
Investment earnings	36,670	58,062	46,538	81,424
Gain/loss of disposal of property	-	-	(3,859)	22,600
Miscellaneous	3,478,858	-	-	-
Transfers	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>(2,059,800)</u>	<u>(924,956)</u>
Total business-type activities	<u>1,715,528</u>	<u>(1,741,938)</u>	<u>(2,017,121)</u>	<u>(820,932)</u>
Total primary government	<u>\$ 37,457,129</u>	<u>\$ 34,264,258</u>	<u>\$ 35,146,901</u>	<u>\$ 79,386,011</u>
Changes in Net Position				
Governmental activities	\$ 2,482,050	\$ (2,491,394)	\$ 45,723	\$ 45,562,525
Business-type activities	<u>3,957,703</u>	<u>785,558</u>	<u>(2,442,374)</u>	<u>1,024,682</u>
Total primary government	<u>\$ 6,439,753</u>	<u>\$ (1,705,836)</u>	<u>\$ (2,396,651)</u>	<u>\$ 46,587,207</u>

2018	2019	2020	2021	2022	2023
\$ 24,781,240	\$ 27,083,238	\$ 29,063,652	\$ 31,555,238	\$ 32,489,734	\$ 37,259,680
9,097,038	9,434,328	9,642,400	11,133,044	12,684,612	13,014,378
250,332	341,579	288,169	421,999	431,766	476,744
3,639,798	3,615,024	3,447,261	3,485,178	3,478,762	3,707,501
-	-	-	-	-	244,731
928,939	1,341,530	1,199,206	637,033	557,805	5,003,403
82,623	54,187	23,812	108,062	38,418	36,490
465,361	333,050	485,538	660,793	3,947,215	620,800
1,232,882	328,000	328,149	344,792	310,910	395,069
-	-	-	-	-	-
<u>40,478,213</u>	<u>42,530,936</u>	<u>44,478,187</u>	<u>48,346,139</u>	<u>53,939,222</u>	<u>60,758,796</u>
131,821	358,088	181,122	85,188	39,457	695,755
5,450	35,650	42,035	12,700	800	14,550
-	-	-	-	-	30,849
<u>(1,232,882)</u>	<u>(328,000)</u>	<u>(328,149)</u>	<u>(344,792)</u>	<u>(310,910)</u>	<u>(395,069)</u>
<u>(1,095,611)</u>	<u>65,738</u>	<u>(104,992)</u>	<u>(246,904)</u>	<u>(270,653)</u>	<u>346,085</u>
<u>\$ 39,382,602</u>	<u>\$ 42,596,674</u>	<u>\$ 44,373,195</u>	<u>\$ 48,099,235</u>	<u>\$ 53,668,569</u>	<u>\$ 61,104,881</u>
\$ 3,658,031	\$ 2,454,693	\$ 3,080,775	\$ 8,112,613	\$ 14,919,369	\$ 8,600,006
35,033	(289,466)	(1,270,695)	(564,594)	3,030,609	4,466,874
<u>\$ 3,693,064</u>	<u>\$ 2,165,227</u>	<u>\$ 1,810,080</u>	<u>\$ 7,548,019</u>	<u>\$ 17,949,978</u>	<u>\$ 13,066,880</u>

City of Cedar Hill, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 52,652	\$ 26,822	\$ 283,522	\$ 117,473	\$ 44,743
Restricted	24,404	24,406	123,575	-	-
Unassigned	<u>7,835,891</u>	<u>9,090,324</u>	<u>8,771,503</u>	<u>8,448,918</u>	<u>8,771,211</u>
Total General Fund	<u>\$ 7,912,947</u>	<u>\$ 9,141,552</u>	<u>\$ 9,178,600</u>	<u>\$ 8,566,391</u>	<u>\$ 8,815,954</u>
All Other Governmental Funds					
Nonspendable					
Prepaid and inventory	\$ -	\$ -	\$ 6,224	\$ -	\$ 282
Other	875	1,963	-	-	-
JPL permanent fund	-	-	-	-	-
Restricted for					
Construction	16,652,763	24,504,541	17,612,849	10,059,379	14,665,951
PID use	270,267	277,468	239,342	368,849	533,015
Tourism	750,883	836,894	821,640	912,273	890,939
Public safety	608,020	541,678	545,723	804,398	1,116,643
Community services	-	-	-	-	-
Landscaping	-	-	-	-	222,825
Economic development	-	-	-	-	38,975
Debt service	1,356,029	1,246,232	1,447,330	1,396,399	1,484,107
General government	-	-	-	-	-
Public works	-	-	-	-	-
Committed for					
Library	135,238	121,489	123,146	107,118	-
Landscaping	1,092,406	1,050,997	1,277,952	1,377,018	-
Construction	1,577,647	1,173,232	1,819,952	2,545,026	2,607,973
Facilities	-	-	-	-	180,095
Building maintenance	828,407	817,196	194,232	177,445	-
JPL nature corridor	51,305,636	54,301,017	58,689,221	18,564,055	18,874,640
Economic development	-	-	-	-	101,305
Infrastructure	-	-	-	-	-
Assigned	-	-	-	97,936	1,042,564
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 74,578,171</u>	<u>\$ 84,872,707</u>	<u>\$ 82,777,611</u>	<u>\$ 36,409,896</u>	<u>\$ 41,759,314</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 76,879	\$ 108,327	\$ 97,153	\$ 164,290	\$ 87,366
-	-	-	-	-
10,074,245	11,087,799	11,556,358	12,888,174	14,907,301
<u>\$ 10,151,124</u>	<u>\$ 11,196,126</u>	<u>\$ 11,653,511</u>	<u>\$ 13,052,464</u>	<u>\$ 14,994,667</u>
\$ -	\$ 173,011	\$ 71,812	\$ 4,031	\$ 5,667
-	-	-	-	-
15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,476,465	1,588,572	1,545,385	1,816,531	2,480,334
2,311,580	2,100,685	2,779,463	4,371,582	5,501,991
-	-	-	-	-
-	-	-	-	-
1,860,832	1,685,829	1,532,922	1,632,600	1,574,629
831,191	1,170,237	1,676,534	2,453,495	3,351,931
27,272,227	37,021,579	33,198,686	40,793,635	32,779,855
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
184,438	287,659	1,389,237	3,399,744	3,551,100
-	-	-	-	-
4,296,464	4,723,709	4,968,856	4,783,131	5,593,983
-	-	-	-	-
2,752,812	2,897,125	4,828,447	6,723,511	6,943,483
946,461	706,960	693,443	622,389	640,829
(248,084)	(202,360)	(231,777)	(184,947)	(247,156)
<u>\$ 56,684,386</u>	<u>\$ 67,153,006</u>	<u>\$ 67,453,008</u>	<u>\$ 81,415,702</u>	<u>\$ 77,176,646</u>

City of Cedar Hill, Texas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues				
Taxes	\$ 27,058,897	\$ 28,678,707	\$ 30,120,119	\$ 32,334,075
Franchise taxes	3,637,472	3,819,178	3,465,968	3,531,434
Licenses and permits	738,332	780,478	778,437	807,719
Intergovernmental	2,556,633	3,550,102	6,750,150	3,611,557
Charges for services	5,015,795	5,219,839	4,733,546	4,557,442
Fines and forfeits	1,389,008	1,865,880	1,760,310	1,936,758
Investment earnings	3,064,301	2,522,617	1,490,918	255,087
Grants and donations	-	-	-	-
Miscellaneous	810,058	1,145,450	759,828	1,398,078
Total revenues	<u>44,270,496</u>	<u>47,582,251</u>	<u>49,859,276</u>	<u>48,432,150</u>
Expenditures				
General government	4,917,868	4,868,548	5,026,331	5,322,042
Public works	2,572,167	2,145,169	2,053,159	2,249,229
Public safety	20,151,570	20,773,934	21,791,776	22,755,963
Community services	6,040,714	6,601,545	6,849,744	7,492,414
Principal retirement	5,225,860	5,641,240	6,102,000	46,889,359
Interest and fiscal agent charges	2,997,075	2,860,726	2,874,002	2,506,334
Capital outlay	3,390,010	2,062,022	12,169,887	9,121,689
Total expenditures	<u>45,295,264</u>	<u>44,953,184</u>	<u>56,866,899</u>	<u>96,337,030</u>
Excess of revenues				
Over (under) expenditures	(1,024,768)	2,629,067	(7,007,623)	(47,904,880)
Other Financing Sources (Uses)				
Transfer in	3,394,411	3,218,718	3,764,661	3,024,806
Transfer out	(2,144,994)	(2,399,486)	(1,738,295)	(2,099,850)
Subscriptions issued	-	-	-	-
Premium or discount on issuance of debt	410,735	2,961,899	2,336,076	-
Issuance of debt	-	-	-	-
Refunding bonds issued	9,495,000	23,325,050	16,477,611	-
Payment to refunding bond escrow agent	(7,614,445)	(16,990,488)	(17,112,097)	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	<u>3,540,707</u>	<u>10,115,693</u>	<u>3,727,956</u>	<u>924,956</u>
Net change in fund balance	<u>\$ 2,515,939</u>	<u>\$ 12,744,760</u>	<u>\$ (3,279,667)</u>	<u>\$ (46,979,924)</u>
Capitalized Capital outlay	\$ 3,390,010	\$ 1,369,729	\$ 12,190,814	\$ 10,375,451
Debt service as a percentage of noncapital expenditures	19.6%	19.5%	20.1%	57.5%

	2018	2019	2020	2021	2022	2023
\$	34,105,970	\$ 36,849,234	\$ 38,958,655	\$ 42,566,167	\$ 45,936,165	\$ 50,531,963
	3,640,135	3,609,312	3,439,407	3,487,905	3,484,804	3,639,947
	789,254	894,811	763,180	1,367,813	1,931,671	1,584,287
	4,525,530	3,956,900	4,937,744	5,501,933	4,524,285	4,706,412
	4,780,801	4,980,938	4,972,956	5,429,666	6,332,955	6,830,050
	1,857,906	1,777,077	1,112,505	1,147,353	1,516,351	1,063,653
	899,426	1,282,913	1,160,306	618,163	526,919	4,813,968
	-	374,599	119,532	30,351	181,642	77,827
	946,389	727,131	712,765	959,919	7,037,392	1,700,410
	<u>51,545,411</u>	<u>54,452,915</u>	<u>56,177,050</u>	<u>61,109,270</u>	<u>71,472,184</u>	<u>74,948,517</u>
	5,539,114	5,423,911	5,733,160	6,253,924	6,074,808	6,916,166
	2,180,935	2,200,304	2,151,651	2,197,878	3,823,275	2,577,776
	23,718,688	24,677,418	26,723,372	28,721,628	28,825,646	32,142,101
	7,591,881	8,227,740	9,672,415	8,220,255	9,486,249	10,896,756
	6,443,517	6,346,795	6,960,000	7,400,000	8,444,236	8,737,093
	2,491,606	2,927,327	3,071,409	3,061,663	2,934,410	3,586,213
	6,733,928	7,774,859	7,277,343	8,262,894	15,962,730	34,374,339
	<u>54,699,669</u>	<u>57,578,354</u>	<u>61,589,350</u>	<u>64,118,242</u>	<u>75,551,354</u>	<u>99,230,444</u>
	(3,154,258)	(3,125,439)	(5,412,300)	(3,008,972)	(4,079,170)	(24,281,927)
	2,444,571	1,045,606	2,045,950	5,542,312	6,295,582	1,004,844
	(1,211,689)	(717,606)	(1,717,801)	(5,197,520)	(6,586,672)	(609,775)
	-	-	-	-	-	701,749
	172,287	967,676	1,755,773	-	1,847,697	1,572,536
	7,435,000	18,090,000	14,840,000	11,945,000	17,875,000	19,295,000
	-	-	-	-	-	-
	-	-	-	(8,526,518)	-	-
	-	5	2,000	3,085	9,210	20,720
	<u>8,840,169</u>	<u>19,385,681</u>	<u>16,925,922</u>	<u>3,766,359</u>	<u>19,440,817</u>	<u>21,985,074</u>
\$	<u>5,685,911</u>	<u>\$ 16,260,242</u>	<u>\$ 11,513,622</u>	<u>\$ 757,387</u>	<u>\$ 15,361,647</u>	<u>\$ (2,296,853)</u>
\$	5,236,086	\$ 7,746,148	\$ 7,318,457	\$ 8,178,222	\$ 15,947,947	\$ 34,374,339
	18.1%	18.6%	18.5%	18.7%	19.1%	19.0%



City of Cedar Hill, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2014	\$ 2,786,675,623	\$ 283,871,690	\$ (384,154,819)	\$ 2,686,392,494	\$ 0.69876
2015	2,982,480,619	287,043,060	(419,337,325)	2,850,186,354	0.69876
2016	3,186,822,798	282,090,960	(451,668,826)	3,017,244,932	0.69876
2017	3,445,936,429	290,270,770	(505,646,426)	3,230,560,773	0.69876
2018	3,664,209,975	299,008,240	(527,367,350)	3,435,850,865	0.69876
2019	4,098,436,803	322,237,770	(641,573,266)	3,779,101,307	0.69703
2020	4,361,878,376	333,576,136	(678,100,436)	4,017,354,076	0.69703
2021	4,512,785,068	319,964,080	(681,662,806)	4,151,086,342	0.68810
2022	4,911,573,310	340,896,002	(660,664,985)	4,591,804,327	0.69703
2023	6,192,071,143	381,289,704	(1,320,436,594)	5,252,924,253	0.65700

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

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

City of Cedar Hill, Texas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)
(Rate per \$100 of Assessed Value)

Fiscal Year Ended September 30,	City Direct Rates			Cedar Hill I.S.D.	Dallas County Community College District
	Basic Rate	General Obligation Debt Service	Total Direct		
2014	\$ 0.512700	\$ 0.186060	\$ 0.698760	\$ 1.525000	\$ 0.124700
2015	0.512700	0.186060	0.698760	1.525000	0.124780
2016	0.512700	0.186060	0.698760	1.525000	0.123650
2017	0.512700	0.186060	0.698760	1.516000	0.124240
2018	0.512700	0.186060	0.698760	1.516000	0.124240
2019	0.512935	0.184093	0.697028	1.376000	0.124000
2020	0.512935	0.184093	0.697028	1.306000	0.124000
2021	0.518071	0.170031	0.688102	1.283000	0.124000
2022	0.518152	0.178877	0.697029	1.238400	0.123510
2023	0.480563	0.176437	0.657000	1.190600	0.115899

Source: Dallas Central Appraisal District, various taxing entities.

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

Dallas County Hospital District	Dallas County	County School Equalization	Desoto I.S.D	Ducanville I.S.D.	Ellis County	Midlothian I.S.D.
\$ 0.276000	\$ 0.243100	\$ 0.010000	\$ 1.490000	\$ 1.410000	\$ 0.380091	\$ 1.540000
0.286000	0.243100	0.010000	1.470000	1.410000	0.380091	1.540000
0.286000	0.243100	0.010000	1.460000	1.529500	0.380091	1.540000
0.279400	0.243100	0.009271	1.460000	1.521480	0.380091	1.540000
0.279400	0.243000	0.009000	1.490000	1.520000	0.371000	1.540000
0.279400	0.243100	0.010000	1.490000	1.520000	0.370533	1.540000
0.270000	0.243000	0.010000	1.528350	1.418000	0.330000	1.470000
0.266100	0.228000	0.010000	1.529090	1.368000	0.350276	1.379800
0.255000	0.227946	0.010000	1.388600	1.315900	0.339338	1.352000
0.235800	0.217946	0.010000	1.258200	1.252900	0.295867	1.294600



**City of Cedar Hill, Texas
Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank (A)	Percentage of Total City Taxable Assessed Value (A)	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
LEGACY OF CEDAR HILL MO	\$ 103,000,000	1	1.96%	\$ -	-	-
USICV HIGH POINT 67 LOT 2 INC	87,577,629	2	1.67%	-	-	-
BW MIDTOWN CEDAR HILL LLC	73,500,000	3	1.40%	-	-	-
JPT CEDAR HILL INVESTCO I LLC	67,500,000	4	1.28%	-	-	-
PREP HILLSIDE REAL ESTATE LLC	59,514,390	5	1.13%	-	-	-
DELTA STEEL INC	39,498,710	6	0.75%	-	-	-
ONCOR ELECTRIC DELIVERY	36,969,864	7	0.70%	26,848,060	5	1.00%
GATES CEDAR HILL LTD	33,500,000	8	0.64%	16,590,000	8	0.62%
INLAND WESTERN DALLAS	33,200,000	9	0.63%	28,542,980	4	1.06%
PROGRESS RESIDENTIAL BORROWER 20 LLC	32,761,800	10	0.62%	-	-	-
UPTOWN VILLAGE AT CEDAR	-	-	-	60,471,030	1	2.25%
EL AD CEDAR HILL LLC	-	-	-	45,273,500	2	1.69%
WALMART STORES INC	-	-	-	21,420,720	7	0.80%
J C PENNEY CO INC	-	-	-	25,584,805	6	0.95%
TARGET CORP	-	-	-	16,067,740	9	0.60%
AP CEDAR HILL LLC	-	-	-	14,124,600	10	0.53%
KRG CEDAR HILL PLAZA, LP	-	-	-	29,900,000	3	1.11%
Total	\$ 567,022,393		10.78%	\$ 284,823,435		10.61%

Source: Dallas Central Appraisal District

Notes:

- (A) Total taxable value including real and personal property for tax year 2022 (fiscal year 2023) is \$5,252,924,253
- (B) Total taxable value including real and personal property for tax year 2013 (fiscal year 2014) is \$2,686,392,494

City of Cedar Hill, Texas
Property Tax Levies And Collections Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year*	Adjusted Taxes Levied Within the Fiscal Year	Collected Within the Fiscal Year	
			Amount	Percentage of Levy
2014	\$ 18,886,686	\$ 18,766,592	\$ 18,557,355	98.89%
2015	19,915,962	19,766,412	19,560,054	98.96%
2016	21,083,301	20,906,038	20,729,114	99.15%
2017	22,573,866	22,414,016	22,193,896	99.02%
2018	24,008,352	24,107,970	23,896,988	99.12%
2019	26,341,470	26,408,201	26,184,435	99.15%
2020	28,002,163	28,397,214	28,095,876	98.94%
2021	28,563,708	30,407,438	29,982,367	98.60%
2022	32,006,208	32,237,603	31,831,262	98.74%
2023	34,511,712	35,792,800	35,356,225	98.78%

* Excludes levies related to public improvement districts

Sources: Dallas county Tax Office

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

Adjusted Taxes Levied for the Prior Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy
\$ 18,723,996	\$ 154,604	\$ 18,711,959	99.94%
19,633,991	49,112	19,609,166	99.87%
20,888,506	139,146	20,868,260	99.90%
22,376,895	158,323	22,352,220	99.89%
24,044,215	117,969	24,014,957	99.88%
26,351,167	127,358	26,311,793	99.85%
28,369,004	207,723	28,303,599	99.77%
30,201,083	102,137	30,084,504	99.61%
32,099,208	102,918	31,934,180	99.49%
35,792,800	-	35,356,225	98.78%

City of Cedar Hill, Texas
Ratios of Outstanding Debt By Type Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities	
	General Obligation Bonds	Certificate of Obligation Bonds	Other Obligations	Unamortized Premiums	Waterworks & Sewer System Revenue Bonds	Waterworks & Sewer System GO & CO Bonds (C)
2014	\$ 51,239,000	\$ 20,990,000	\$ 74,030,225	\$ 1,274,903	\$ 6,575,000	\$ 9,186,000
2015	61,812,760	11,420,000	78,237,362	3,814,067	4,375,000	11,217,240
2016	63,920,760	3,080,000	82,683,592	5,389,921	-	14,264,240
2017	58,245,312	2,410,000	-	4,503,276	-	13,014,688
2018	56,111,795	5,535,000	-	3,859,905	-	14,038,205
2019	58,985,000	14,405,000	-	4,067,779	-	16,575,000
2020	62,030,000	19,240,000	-	5,090,165	-	17,780,000
2021	55,640,000	18,455,000	3,345,000	4,342,288	-	16,395,000
2022	57,095,000	25,840,000	4,040,000	5,547,269	-	17,875,000
2023	66,300,000	28,305,000	4,045,936	6,463,005	-	19,600,000

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

- (A) See Table 5 for property value data.
- (B) See Table 14 for population data.
- (C) Self-supporting tax-backed bonds.
- (D) See Table 14 for population data.

Business-Type Activities			Percentage of Total Personal Personal Income (D)	Percentage of Actual Taxable Value of Property (A)	Per Capita (B)	
Other Obligations	Unamortized Premiums (C)	Total Primary Government				
\$	-	\$ 450,007	\$ 163,745,135	13%	6.03%	\$ 3,322
	-	710,622	171,587,051	14%	5.86%	3,458
	-	1,043,341	170,381,854	13%	5.65%	3,346
	-	877,422	79,050,698	6%	2.45%	1,518
	-	790,045	80,334,950	6%	2.49%	1,526
	-	919,730	94,952,509	6%	2.51%	1,788
	-	1,060,209	105,200,374	7%	2.62%	2,140
	-	917,477	99,094,765	7%	2.39%	1,976
	-	1,086,246	111,483,515	7%	2.43%	2,217
	94,277	1,213,209	126,021,427	7%	2.40%	2,575

City of Cedar Hill, Texas
Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding				Less Sinking Fund
	General Obligation Bonds	Certificate of Obligation Bonds	Taxable Notes	Unamortized Premium	
2014	\$ 51,239,000	\$ 20,990,000	\$ -	\$ 1,166,742	\$ 1,005,262
2015	61,812,760	11,420,000	-	3,814,067	936,921
2016	63,920,760	3,080,000	-	5,389,920	1,178,322
2017	58,245,312	2,410,000	-	4,503,278	1,104,243
2018	56,111,795	5,535,000	-	3,859,905	1,166,122
2019	58,985,000	14,405,000	-	4,067,780	1,462,017
2020	62,030,000	19,240,000	-	5,090,163	1,261,391
2021	50,640,000	18,455	3,345,000	4,342,285	1,108,484
2022	57,095,000	25,840,000	4,040,000	5,547,266	1,113,341
2023	66,300,000	28,305,000	3,330,000	6,463,005	1,574,629

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

(A) See Table 5 for property value data.

(B) See Table 14 for population data.

	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (A)	Per Capita (B)
\$	72,390,480	2.68%	\$ 1,469
	76,109,906	2.83%	1,534
	71,212,358	2.50%	1,399
	64,054,347	2.12%	1,230
	64,340,578	1.99%	1,222
	75,995,763	2.01%	1,431
	85,098,772	2.12%	1,731
	57,237,256	1.30%	1,075
	91,408,925	1.90%	1,738
	102,823,376	1.89%	2,032

City of Cedar Hill, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2023
(Unaudited)

Taxing Jurisdiction	2022/2023 Taxable Assessed Value	2023/2024 Tax Rate	Total G.O. Tax Debt	Estimated % Applicable	City's Overlapping G.O. Tax Debt
City of Cedar Hill	\$ 5,252,924,253	\$ 0.65700	\$ 94,075,000	100.00%	\$ 94,075,000
Cedar Hill ISD	5,131,651,355	0.19060	95,225,144	90.75%	86,416,818
Dallas County	332,456,203,815	0.21795	236,605,000	1.36%	3,217,828
Dallas County Comm. College Dist.	345,099,767,531	0.11590	436,680,000	1.36%	5,938,848
Dallas County Hospital Dist.	337,462,373,563	0.23580	559,905,000	1.36%	7,614,708
Dallas County Schools	332,456,203,815	0.01000	-	1.36%	-
Desoto ISD	4,582,982,133	1.25820	110,428,896	0.18%	198,772
Duncanville ISD	6,481,265,229	1.25290	188,775,000	1.92%	3,624,480
Ellis County	27,077,999,447	0.29588	28,755,000	0.58%	166,779
Midlothian ISD	7,757,874,293	1.29500	412,745,000	1.67%	6,892,842
Subtotal, overlapping debt					\$ 208,146,075
City of Cedar Hill (direct debt)					\$ 118,345,213
Total Direct and Overlapping Tax Debt					\$ 326,491,288
Ratio of Direct and Overlapping G.O. Tax Debt to Taxable Assessed Valuation					396.00%
Per Capita Direct and Overlapping G.O. Tax Debt					\$ 4,139.74

Source: Hilltop Securities, Inc.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of Cedar Hill. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The City's total direct debt is net of self supporting debt and Debt Service Fund Balance.

City of Cedar Hill, Texas
Legal Debt Margin Information
As of September 30, 2023
(Unaudited)

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

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

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

The tax rate at October 1, 2023 is \$0.646525 per \$100 of assessed valuation at 100% of market value. The tax rate is 25.86% of the legal limit.

City of Cedar Hill, Texas
Pledged - Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Gross Revenues (A)</u>	<u>Less: Operating Expenses (B)</u>	<u>Net Available Revenue</u>	<u>Average Debt Service (C)</u>	<u>Coverage (D)</u>
2014	\$ 20,898,465	\$ 13,735,658	\$ 7,162,807	\$ 621,679	\$ 11.52
2015	18,634,284	14,168,974	4,465,310	438,658	10.18
2016	17,333,094	15,765,558	1,567,536	-	-
2017	17,679,424	15,273,504	2,405,920	-	-
2018	18,541,621	15,688,000	2,853,621	-	-
2019	17,818,947	16,447,045	1,371,902	-	-
2020	18,392,329	17,521,852	870,477	-	-
2021	19,127,493	17,392,046	1,735,447	-	-
2022	24,020,197	19,095,461	4,924,736	-	-
2023	26,586,243	19,946,727	6,639,516	-	-

Source: Annual Comprehensive Financial Reports

- (A) Gross revenues include all water and sewer revenues exclusive of capital recovery fees, interest on accumulated capital recovery fees, contributed capital, gain on retirement of capital assets, and interest on bond proceeds.
- (B) Direct operating expenses include all water and sewer operating expenses, less depreciation.
- (C) Average annual debt service is the average principal and interest payments due over the remaining term of all water and sewer revenue bonds. All existing Revenue Bonds were defeased in FY2016.
- (D) All existing Revenue Bonds were defeased in FY2016.

City of Cedar Hill, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Year	Estimated Population (A)	Personal Income	Per Capita Personal Income (B)	Median Household Income (B)	Median Age (C)	Cedar Hill I.S.D. Enrollment (D)	Unemployment Rate (E)
2014	49,289	\$ 1,304,088,362	\$ 26,458	\$ 63,667	35	8,700	5.9%
2015	49,615	1,258,087,555	25,357	65,421	35	7,915	4.7%
2016	50,917	1,300,267,429	25,537	68,526	34	8,046	4.7%
2017	52,066	1,394,171,282	26,777	69,412	34	7,883	4.0%
2018	52,659	1,410,050,043	26,777	73,106	36	7,866	3.8%
2019	53,096	1,481,696,976	27,906	73,658	36	7,791	3.1%
2020	49,148	1,428,535,768	29,066	72,463	34	7,625	4.1%
2021	50,140	1,457,369,240	29,066	72,791	34	7,250	5.7%
2022	50,280	1,643,703,480	32,691	75,285	34	7,625	4.5%
2023	48,949	1,726,920,720	35,280	84,132	35	7,625	4.0%

Sources:

- (A) Available estimates are provided by Claritas (Pop-Facts® Executive Summary).
- (B) Available estimates are retrieved from www.census.gov/quickfacts/fact/table/cedarhillcitytexas,US/PST045223.
- (C) Available estimates retrieved from https://data.census.gov/profile/Cedar_Hill_city,_Texas?g=160XX00US4813492
- (D) Cedar Hill Independent School District
- (E) Available estimates retrieved from <https://beta.bls.gov/dataViewer/view/timeseries/LAUCT481349200000003>

**City of Cedar Hill, Texas
Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2023			2014		
	Estimated Employees	Rank	Percentage of Total City Workforce	Estimated Employees	Rank	Percentage of Total City Workforce
Wal-Mart Supercenter	358	1	1.24%	300	2	1.17%
Super Target	220	2	0.76%	220	3	0.86%
Pratt Industries Inc	211	3	0.73%	-	-	-
Dillard's	200	4	0.69%	196	5	0.76%
The Kroger Co	180	5	0.62%	120	10	0.47%
Home Depot	175	6	0.60%	-	-	-
Woodmont Cabinetry	173	7	0.60%	125	8	0.49%
JC Penney Distribution Center	160	8	0.55%	425	1	1.65%
Total Highway Maintenance, LLC	130	9	0.45%	-	-	-
Central States Manufacturing	108	10	0.37%	-	-	-
JC Penney, Department Store	-	-	-	200	4	0.78%
DMI Corporation	-	-	-	150	6	0.58%
Best Buy	-	-	-	140	7	0.54%
idX Dallas	-	-	-	120	9	0.47%
Total	1,915		6.61%	1,996		7.77%

Source: City surveys of employers

Notes: City of Cedar Hill and Cedar Hill I.S.D. are not included in the rankings. Total Estimated City Workforce in FY 2023 and FY 2014 is 28,972 and 25,692 respectively

City of Cedar Hill, Texas
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Full Time Equivalent Employees as of September 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administration	9.50	10.00	9.50	9.50	9.50	8.50	8.50	8.50	8.50	8.50
Human resources	4.00	4.00	3.00	3.00	3.80	3.50	4.00	4.00	4.00	4.00
Information technology	4.23	4.50	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20
Finance	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	9.00	9.00
Economic development	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Tourism	-	1.00	1.50	1.50	1.50	2.00	2.00	2.00	2.00	2.00
Non-Departmental	2.27	2.27	2.50	2.00	2.50	2.50	2.75	2.75	1.50	1.50
Government center	3.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Public Works										
Streets & drainage	15.25	14.25	14.40	14.40	14.40	14.40	14.00	14.00	16.00	16.00
Fleet maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water & sewer	41.15	44.65	44.65	36.00	38.00	38.00	41.00	41.00	41.00	41.00
Public Safety										
Police	88.10	87.40	89.50	88.50	86.50	93.00	92.50	92.50	87.00	95.00
Animal control	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50
Fire	78.00	78.00	79.00	78.00	6.00	79.00	79.00	79.00	79.50	79.50
Municipal court	6.80	7.93	6.68	6.68	79.00	8.00	8.00	7.00	7.50	7.50
Code enforcement	9.00	9.00	9.00	9.00	6.88	10.00	12.00	12.00	13.00	13.00
Animal shelter	10.53	10.53	10.53	10.33	10.00	11.33	11.50	11.50	16.50	13.00
Community Services										
Parks	26.40	28.40	23.77	23.77	22.42	19.63	17.55	17.55	16.50	16.02
Community development	7.79	7.79	7.79	7.79	7.79	5.00	6.00	6.00	6.00	7.00
Recreation	10.50	11.50	11.50	8.45	9.19	9.19	5.75	5.75	5.75	5.63
Recreation center	23.84	23.00	23.80	23.80	23.80	23.80	23.00	23.00	23.58	23.50
Library	12.72	10.72	12.20	12.20	13.41	14.04	14.09	13.30	13.30	13.80
Main Street (Historic Downtown)	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning	4.00	4.00	4.00	4.00	4.00	4.25	4.00	4.00	4.35	4.50
Neighborhood services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	3.00
Total City Employees	<u>373.08</u>	<u>378.44</u>	<u>378.52</u>	<u>365.12</u>	<u>365.89</u>	<u>373.34</u>	<u>372.84</u>	<u>372.05</u>	<u>375.18</u>	<u>383.15</u>

Source: Annual Budgets

Notes: FTE's are based on 2,080 hours for conversion purposes.
The Economic Development Corporation personnel are paid by the Economic Development Fund, not the General Fund.
The Water and Sewer personnel are paid by the Water & Sewer Fund, not the General Fund.
The Community Development personnel are paid by the Community Development Fund, not the General Fund.

City of Cedar Hill, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Functions/Program	2014	2015	2016
Public Works			
Streets & Drainage			
Number of street lights	2,639	2,632	2,616
Water & Sewer			
Number of water consumers	15,427	15,788	15,940
Number of sewer connections	14,071	14,267	14,537
Average daily water consumption (millions of gallons)	10	6	6
Maximum storage capacity (millions of gallons)	18	18	18
Public Safety			
Police			
Index crimes, by calendar year	1,531	1,528	1,653
Index crime rate per 100,000, by calendar year	3,341	3,335	3,510
Percent index crimes cleared, by calendar year	35%	35%	30%
Number of reserve police officers	3	3	4
Fire			
Calls for service - Fire & EMS	6,077	6,150	6,207
Municipal Court			
Number of cases filed	7,450	7,785	7,610
Number of cases closed	6,229	7,393	6,642
Number of cases appealed	97	163	143
Number of warrants issued	4,218	4,885	4,604
Code Enforcement			
Construction permits issued	520	605	584
Total dollar value of permits issued	\$ 38,018,194	\$ 58,530,567	\$ 40,449,488
Animal Shelter			
Number of incoming animals	4,694	6,253	6,493
Number of lost pets returned to owners	704	901	912
Number of animals adopted out	932	1,298	1,332
Number of animals euthanized	1,905	2,636	2,284
Number of animals transferred or rescued	899	1,131	1,796

Sources: City Departments

2017	2018	2019	2020	2021	2022	2023
2,616	2,616	2,665	2,665	2,665	2,670	2,683
16,019	16,407	16,492	16,564	16,554	16,659	16,932
14,923	14,972	14,987	14,987	14,987	15,014	15,351
6	5.9	5.2	5.6	5.6	6.4	6.5
18	18	18	18	18	18	18.0
1,618	1,463	1,350	987	876	987	997
3,419	3,081	2,837	2,059	1,782	1,963	1,982
30%	29%	29%	19%	17%	21%	22%
4	5	2	3	1	1	1
6,257	6,302	6,256	6,154	7,539	7,784	7,858
8,621	8,962	8,684	5,977	7,592	8,379	7,688
4,801	7,453	7,799	5,677	6,757	4,793	7,696
198	195	182	145	233	236	140
5,486	2,617	3,150	2,455	3,929	6,928	2,782
652	255	622	631	738	943	886
\$ 50,982,675	\$ 59,238,591	\$ 68,213,408	\$ 55,261,882	\$ 100,265,319	\$ 261,162,959	\$ 155,671,172
5,894	7,378	6,464	5,317	5,513	6,300	6,387
1,055	999	1,249	936	1,396	1,264	1,005
1,448	1,112	915	921	1,027	1,249	1,142
1,715	1,529	1,511	865	923	1,271	1,818
1,914	2,444	2,730	2,502	2,128	1,669	1,379

City of Cedar Hill, Texas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Public Works											
Streets & Drainage											
Paved streets (miles)	218	218	218	218	218	218	219	219	220	222	
Graded streets (miles)	1	1	1	1	1	1	1	1	1	1	
Paved alleys (miles)	42	42	42	42	42	42	42	42	42	42	
Storm sewers (miles)	77	77	77	77	77	77	78	78	79	81	
Water & Sewer											
Water mains (Miles)	279	279	279	279	279	279	280	280	281	283	
Storage capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18	
Sanitary sewers (miles)	214	214	214	214	214	214	215	215	216	217	
Public Safety											
Police											
Stations	2	2	2	2	2	2	2	2	2	2	
Fire											
Stations	4	4	4	4	4	4	4	4	4	4	
Animal Shelter											
Buildings	1	1	1	1	1	1	1	2	2	2	
Community Services											
Parks											
Acreage	692	692	692	692	692	692	692	721	721	843	
Municipal swimming pools	1	1	1	1	1	1	1	1	1	1	
Lighted tennis courts	2	2	2	2	2	2	2	2	2	2	
Lighted ball diamonds	23	23	23	23	23	23	23	23	23	23	
Community/senior center	1	1	1	1	1	1	1	1	1	1	
Recreation center	1	1	1	1	1	1	1	1	1	1	
Library											
Number of libraries	1	1	1	1	1	1	1	1	1	1	

Sources: City Departments