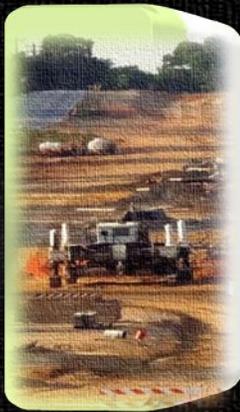


Town of Westlake, Texas  
Popular Annual Financial Report  
For the Fiscal Year Ended September 30, 2012

**INVESTING  
IN OUR FUTURE**



**UNDER CONSTRUCTION**

The Town of Westlake  
3 Village Circle, Suite #202  
Westlake, Texas 76262  
[www.westlake-tx.org](http://www.westlake-tx.org)

*A Premier Knowledge  
Based Community*

# WELCOME

The reasons residents choose to live in the Town of Westlake are varied, but they often revolve around quality of life issues. Beautiful homes and safe neighborhoods, a strong sense of community, convenient location, first-rate schools and excellent Town services combine to create an attractive, stable environment in which to reside and raise a family. These positive attributes are the result of many years of community commitment and visioning, combined with solid financial planning.



The Finance Department staff is pleased to present the Town of Westlake's second Popular Annual Financial Report for the fiscal year ended September 30, 2012. This report is intended to provide an accessible overview of the Town's financial position and policies, and its commitment to delivering responsive services and programs in a fiscally responsible manner. Inside this publication, we provide you with details of how the Town's revenue is generated, where dollars are spent, and how the local economy impacts Westlake's overall financial condition. Above all, our goal is to

give you an opportunity to better understand the many financial aspects that affect your local government and ultimately the community.

The financial information provided is drawn from detailed information found within the 2012 Comprehensive Annual Financial Report (CAFR). The financial statements appearing in the CAFR were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by an independent auditing firm, receiving an unqualified (or clean) opinion. The numbers contained within the CAFR were obtained by employing the basis of accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

In short, the highest standards of accounting principles have been utilized to ensure full financial disclosure and accountability. Recognition of this commitment is evidenced by the Town attaining the Certificate of Achievement for Excellence in

Financial Reporting for 5 consecutive years from the Government Finance Officers Association for its CAFR document. While the numbers in this Popular Annual Financial Report come from an audited source, they are presented in an abridged, un-audited, non-GAAP format and do not include the Town's discretely presented component units (Texas Student Housing). Citizens who wish to review audited GAAP-basis financial statements can refer to the Town's 2012 CAFR, which is available from the Finance Department, and online at [www.westlake-tx.org](http://www.westlake-tx.org)

The Finance Department personnel and staff across the organization are proud to serve this one-of-a-kind community. We hope this year's Popular Annual Financial Report serves its purpose and helps assure you that every effort is made to manage the Town of Westlake's tax dollars wisely for the benefit of all.



## VISION STATEMENT

*Westlake is an oasis of tranquility and natural beauty amidst an ever expanding urban landscape.*

### VISION POINTS

#### **~ SENSE OF PLACE ~**

*Distinctive neighborhoods, architecturally vibrant corporate campuses, grazing longhorns, soaring red-tailed hawks, meandering roads and trails, lined with natural stone and native oaks.*



#### **~ LEADERSHIP ~**

*A premiere place to live, leadership in public education, corporate and governmental partnerships, and high development standards.*



#### **~ CARING COMMUNITY ~**

*Informed residents, small town charm and values, historical preservation.*



#### **~ EXEMPLARY GOVERNANCE ~**

*Town officials, both elected and appointed, exhibit respect, stewardship, vision, and transparency.*



#### **~ SERVICE EXCELLENCE ~**

*Public service that is responsive and professional, while balancing efficiency, effectiveness and financial stewardship.*



### COMMUNITY VALUES

Innovation



Educational

Leaders



Family Friendly  
and Welcoming



Engaged  
Citizens



Preservation of Our  
Natural Beauty



Strong Aesthetic  
Standards



Transparent  
Government



Fiscal  
Responsibility



## MISSION STATEMENT

*“On behalf of the citizens, the mission of the Town of Westlake is to be a one-of-a-kind community that blends our rural atmosphere with our vibrant culture and metropolitan location.”*

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# FROM THE TOWN MANAGER

Dear Citizens of Westlake,

I am pleased to present the Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2012. This report is designed to provide transparency and accountability of Town financial information, which is a key organizational goal.

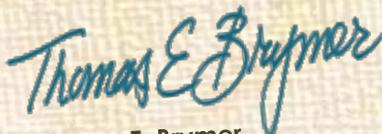
The Town of Westlake is proud to receive all three of the Government Finance Officers Association (GFOA) awards for local government finance:

- Distinguished Budget Presentation Award
- Certificate of Achievement for Excellence in Financial Reporting
- Award for Outstanding Achievement in Popular Annual Financial Reporting

It is our belief that participation in GFOA award programs enhances our citizens' understanding of Westlake finances. When we attain these GFOA awards, it shows that we have shared information about how public funds are managed in a format that is consistent with the highest standards in governmental financial reporting.

The PAFR is designed to provide a summary view of the financial activities of the Town. It is a high-level report for citizens who wish to learn more about Westlake finances. While the numbers in this Popular Annual Financial Report come from an audited source, they are presented in an abridged, un-audited, non-GAAP format and do not include the Town's discretely presented component units (Texas Student Housing). All information in this report can be found in greater detail in the Comprehensive Annual Financial Report (CAFR) on the town website [www.westlake-tx.org](http://www.westlake-tx.org).

Throughout the year, the Finance Department works on budgets, audits, financial policies, financial forecasts, and financial management. The Town of Westlake invites citizens to share their thoughts and opinions with us. Citizen involvement, transparency and fiscal responsibility are the cornerstones of the Town of Westlake's Finance Department.

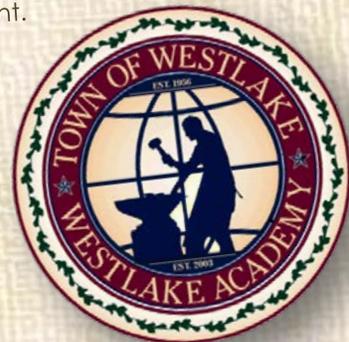


**Thomas E. Brymer**

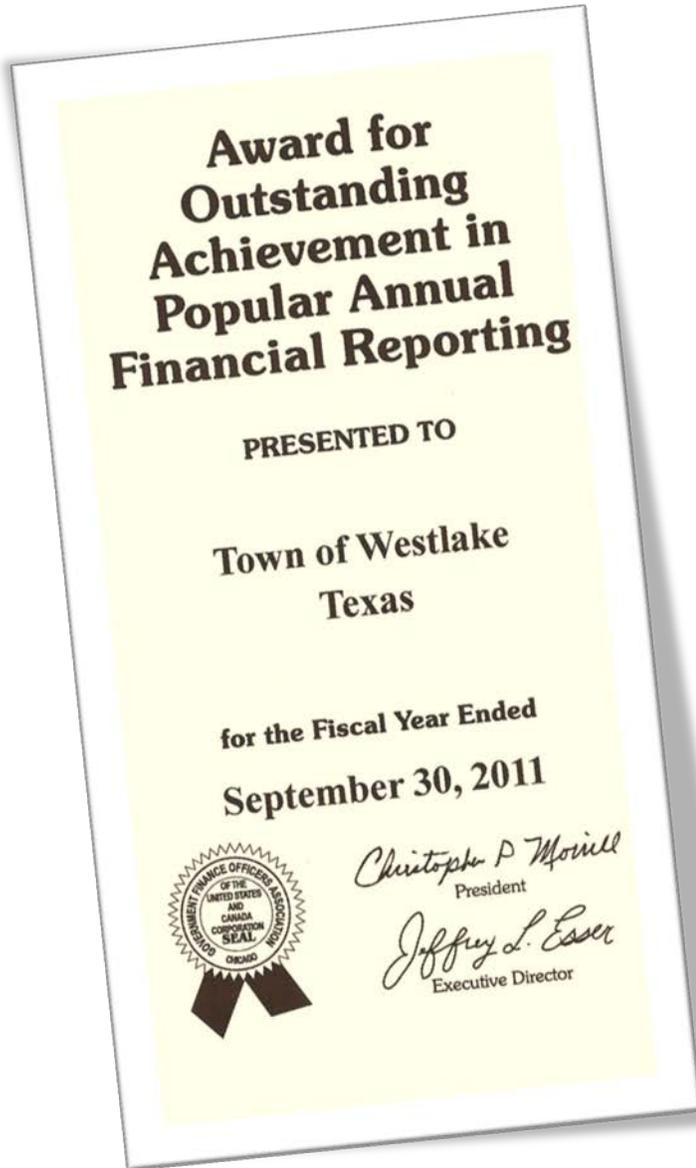
Town Manager

[tbrymer@westlake-tx.org](mailto:tbrymer@westlake-tx.org)

817-490-5720



# FINANCE AWARDS



The Government Finance Officers Association (GFOA) of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Town of Westlake for its Annual Report Financial Highlights for the fiscal year ended September 30, 2011.

This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, the contents of which conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The Town of Westlake submitted and received this award for the first time in 2011.

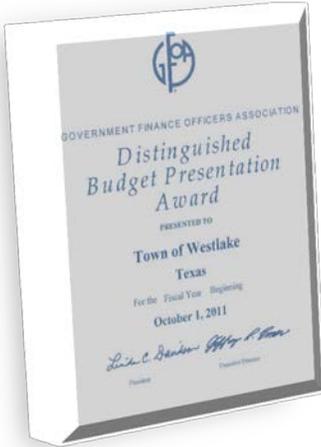
We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and we are submitting it to GFOA.

The information in this report is drawn from the Town of Westlake Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012. The CAFR contains more detailed information and can be viewed online at [www.westlake-tx.org](http://www.westlake-tx.org) or contact the Finance Department at 817-430-0941 to request a copy.



The Town was also awarded from the GFOA **The Certificate of Achievement for Excellence in Financial Reporting** for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2011.

# FINANCE AWARDS



## Town of Westlake

The Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA) for the preparation and issuance of the annual budget.



## Westlake Academy

The Association of School Business Officials International has awarded its Meritorious Budget Award for excellence in budget presentation.



## Westlake Academy

The Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA) for the preparation and issuance of the annual budget.

# ELECTED OFFICIALS

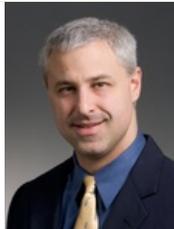
The Town of Westlake was incorporated in 1956 as a Type A General Law town under the rules of the state of Texas. The Town operates under a Council-Manager form of government with the Town Council being comprised of a Mayor and five Council Members who are elected at large for a two year staggered term each May.

The Mayor and Council members are responsible for establishing policy and providing direction to the Town Manager. The Town Manager is responsible for policy implementation and daily operations of Town services.

The Council meets the 4th Monday of each month with the Mayor presiding at official meetings and work sessions.

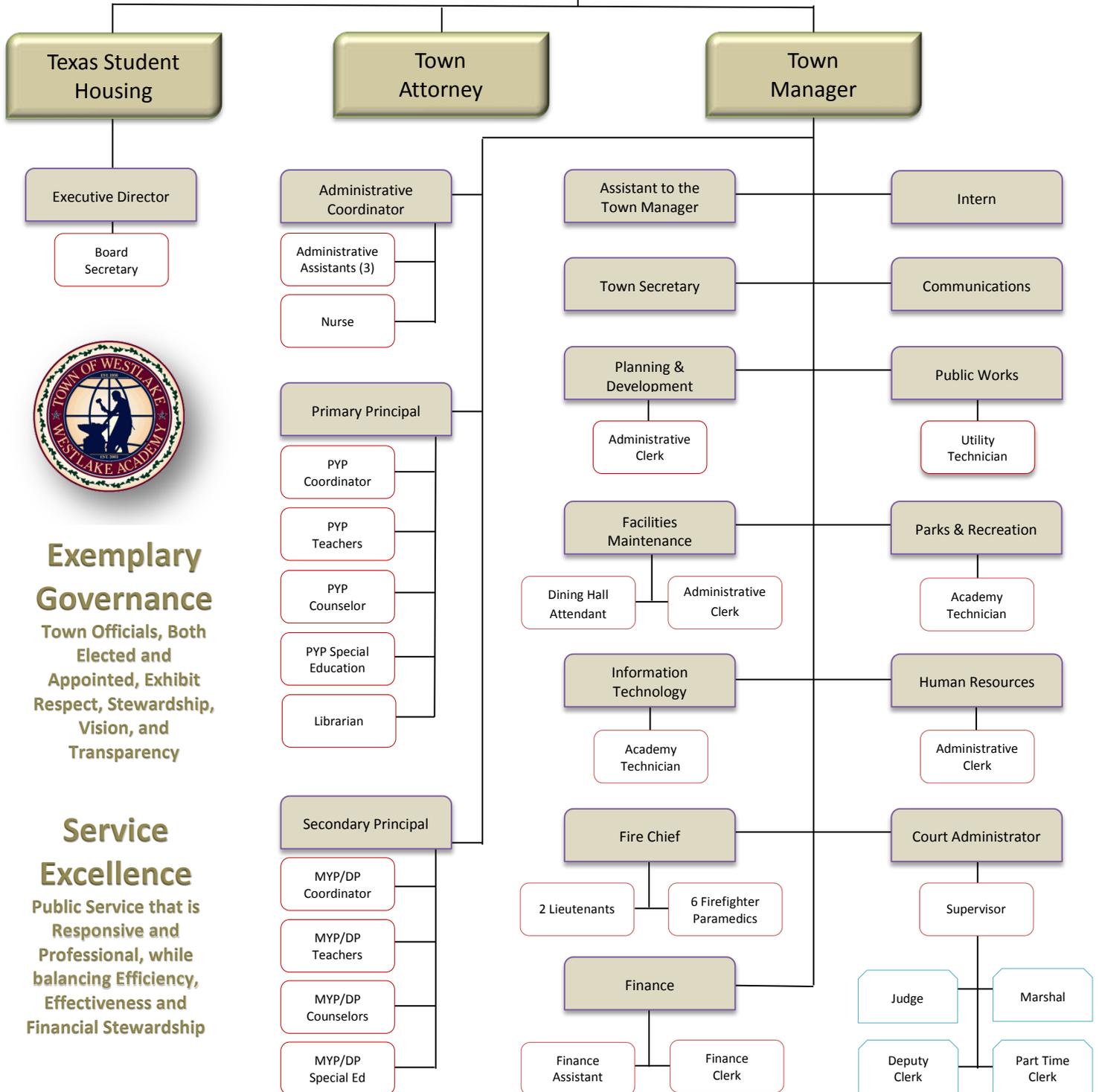
The Town's administration is committed to professionalism and efficiency. The Town operates its own municipal court, water and sewer utilities, provides street operations, planning, inspections, engineering, general government, and parks and recreation services. The Westlake Fire and Rescue Department provides fire and emergency services to the community.



					
<b>Laura Wheat</b>	<b>Carol Langdon</b>	<b>Michael Barrett</b>	<b>Clifton Cox</b>	<b>David Levitan</b>	<b>Rick Rennhack</b>
Mayor	Mayor Pro-Tem	Council Member	Council Member	Council Member	Council Member
Term Expires May 2014	Term Expires May 2013	Term Expires May 2013	Term Expires May 2014	Term Expires May 2013	Term Expires May 2013

# CITIZENS OF WESTLAKE

## MAYOR AND TOWN COUNCIL



**Exemplary Governance**  
Town Officials, Both Elected and Appointed, Exhibit Respect, Stewardship, Vision, and Transparency

**Service Excellence**  
Public Service that is Responsive and Professional, while balancing Efficiency, Effectiveness and Financial Stewardship

# KEY SERVICES PROVIDED BY THE TOWN



## General Services

The General Service Program is comprised of costs in the budget that may not be specifically identifiable to any operational budget. The activity is administered by the Finance Department and funds various charges that are not defined or directly related to any specific department or activity of the Town. Examples of cost include, electricity, insurance, professional services, contingencies, etc. These types of expenditures affect all budgets and are generally not prorated.

## Human Resources/Admin Services

The Human Resources Department provides services that include all HR functions, General Administrative Services, Payroll Processing, Benefits Administration, Policy Compliance, and Risk Management. Support is offered in partnership with other departments for bidding & purchasing, strategic planning, policy development, general administration, and finance. In addition to providing these services to the Town of Westlake, the department continues to successfully support Westlake Academy through our shared services model.

The Town provides to its citizens those services that have proven to be necessary and meaningful and which the Town can provide for the least amount of cost. Major services provided under the general government and enterprise functions are: Fire and emergency medical services, police, water and sewer utility services, park and recreational facilities, street improvements, education and administrative services. The Town utilizes a combination of direct service delivery along with out-sourced services in its service delivery mix. The decision as to which service to deliver directly versus out-sourcing is based on analysis of cost-effectiveness, citizen responsiveness, and customer service quality.

## Administration

The Administration Department coordinates and manages all facets of the Town's operations. The Town Manager, reporting to the Town Council, serves as the chief executive officer for all Town operations including serving as Superintendent for Westlake Academy. His duties include implementation of the goals and objectives established by the Town Council, preparation and submission of an annual municipal budget for Board review and adoption, as well as the implementation and oversight of the adopted budget throughout its effective fiscal year. The Town Manager guides, coordinates, and facilitates recommendations to the Council on strategic planning initiatives and policies as well as their implementation. Responsible for attracting, retaining, and developing a municipal and educational work force for delivering top quality municipal and Academy services.

## Finance

The Finance Department is responsible for collecting, recording, summarizing, and reporting the results of all financial transactions of the Town of Westlake, Westlake Academy and Westlake Academy Foundation. Results are reported in accordance with generally accepted accounting principles while ensuring compliance with applicable state and federal statutes, bond covenants and grant contracts by reviewing financial data and reporting such in a timely manner.



## Municipal Court

The Municipal Court performs the duties necessary to support municipal judicial functions, assist the public and manage court operations. The program will uphold the integrity of the Court and build public trust by providing unbiased quality service and accurate information delivered in an efficient and professional manner.



## Town Secretary

The Town Secretary performs tasks outlined in the Texas Municipal Law and Procedure for General Law Type A Cities as well as tasks related to the support of the Town Council, Board of Trustees, Planning and Zoning Commission, the Zoning Board of Adjustments, and the Texas Student Housing Authority, and oversight of the Town's records management program. The Town Secretary is also responsible for the communicating meeting information to the community.

## Communications

The department of Communications & Community Affairs is responsible for leadership and representation on matters related to Town and Academy communications, promotion, and citizen/parent engagement. The position coordinates facilitation of neighborhood meetings, publication of our email blasts/publications, Town advertising, web site development, various community events and gatherings, and serves/supports the Westlake Historical Preservation Society as Town liaison.

# KEY SERVICES PROVIDED BY THE TOWN

## Building and Planning

The Planning and Development Department is responsible for processing platting and zoning requests and ensuring that proposed development will conform to the Town of Westlake's comprehensive plans. This also requires the continuous updating and amending of ordinances to address ever-changing development concerns. The Building and Code Compliance Division is responsible for the administration and enforcement of the Town's adopted building codes and ordinances to assure that development is executed and maintained in compliance with ordinances and approved development plans.

## Public Works

The Public Works Department is responsible for the operation, maintenance, repair, and installation of the Town's traffic signs, signals, roadway markings, and 10.8 miles of street pavement and storm drainage; maintaining public records and regulatory requirements. Public Works also assists other departments, the Academy, and volunteer groups as needed by providing services such as setting up for community events; providing traffic control devices for DPS use; supervision of community service workers; provide back-up coordinating and inspecting work for facility maintenance.

## Information Technology



Information Technology works with the Town Manager to establish IT policy, evaluate and recommend

technology solutions for specific departmental needs and provide administrative support to network infrastructure, systems, and staff.

## Facilities Maintenance

The Facilities Maintenance Department currently maintains all aspects of the Westlake Academy campus buildings as well as the fire station. This includes maintenance of the interior and exterior of these existing buildings as well as HVAC units, landscaping, remodeling projects, equipment maintenance, security equipment and building assessments. The Director manages all service and maintenance contracts on Town owned assets and also the leasing contract for Town Hall facilities. Beginning summer 2013, the management of related construction contracts and work on the 38,700 square foot Westlake Academy expansion will also be the responsibility of this department.

## Parks and Recreation

The Parks and Recreation Department maintains a 39.5 acre park and open spaces, which includes



Glenwyck Farms, the Terra Bella subdivision and the Parchman off-site property. The trees along roadways and cemetery are maintained to ensure the safety of the drivers and pedestrians. Additional trails and pedestrian underpass will be added with the development of FM 1938 and the Deloitte project located on Dove road. Westlake Academy and the park, located in Glenwyck Farms, provide the facilities and space for recreation use to the public. The park at Glenwyck Farms and the Academy campus hosts sporting events, facility rentals, Arbor Days, Bandana Bonanza, Christmas Tree Lighting and Decoration Day.

## Fire/EMS Services

The Fire-EMS Department provides for the public safety needs of the Town via a variety of programs and services. The majority of these services are Fire and Emergency Medical Services (EMS) related but also includes hazardous materials mitigation, fire prevention and public education. Many civic organizations also benefit from these types of services. Business organizations have benefited through the training activities and inspection/prevention programs that the Department provides. The Department will continue to provide the most efficient method of delivering the traditional services – Fire Protection, Emergency Medical Services, Fire Inspections and Public Education while continuing to seek further avenues of outreach into the community.



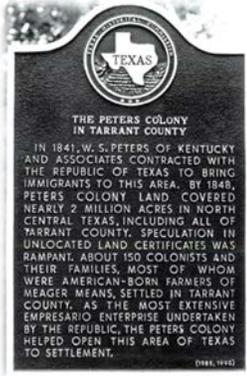
## Police Services

The Keller Police Department is the provider of law enforcement services for the Town of Westlake. In June of 2002, the two communities began an interlocal agreement, which would benefit both organizations through the provision of police related services for Westlake citizens and bring additional staff resources via the contract commitments for the City of Keller. The police department was accredited through the Commission on Accreditation for Law Enforcement Agencies (CALEA) in July of 2006. Only 2% of police departments in the United States ever achieve this recognition. Jail and dispatch services are provided through a regional configuration – serving the communities, of Westlake, Keller, Southlake and Colleyville.

# WESTLAKE HISTORY

## In the beginning...

The Town of Westlake has a short but fascinating history. The geographic region, known as the place where the cross timbers met the prairie, holds tales of **settlers from the Peters Colony**, Indian treaties signed by Sam Houston,



tremendous archeological treasures, and some of the oldest settlements in north Texas.

The region has always been known for its natural bounty, its trade value, and its wonderful people. The Town of Westlake and northeast Tarrant County has maintained that distinction over the years, becoming one of the most desirable and sought after places to live in America.

## Early Settlers... 1847

The Town of Westlake was settled by **Charles and Matilda Medlin** when they arrived in the area with about 20 other families in 1847. They initially settled along Denton Creek but moved south to higher ground after weathering ferocious floods from the creek.

Until 1997, the **three-story Medlin barn** was a local historic landmark.



When it had to be removed, after what was believed to be 130 years, for safety concern. Legends include those of Sam Bass and Bonnie and Clyde hiding in the barn.

## The 1870's...

Dove Road was the cardinal road between Grapevine and Roanoke. The road took its name from the Dove Community which was located between the two towns. Dove Road originated in the 1870's and got its name from the Lonesome Dove Baptist Church located in the community.

## The 1930's...

In the late 1930s, Ted Dealey, turned his attention to a lush and untouched piece of the Cross Timbers region.

It was there he built a stunning country place designed by prominent architect, Charles Dilbeck. This place was known as the 220 Ranch.

The Dealey Home, off Dove Road near Ottinger Road, is now known as **Paigebrooke Farm**.

## 1940's - 1950's

It was late in the 1940's after World War II, at about the same time that Dealey built his home, that **Circle T Ranch has its beginnings** with J. Glenn Turner. He used the place to raise and train Tennessee Walking horses, and as a retreat and showplace. Circle T Ranch was expanded throughout

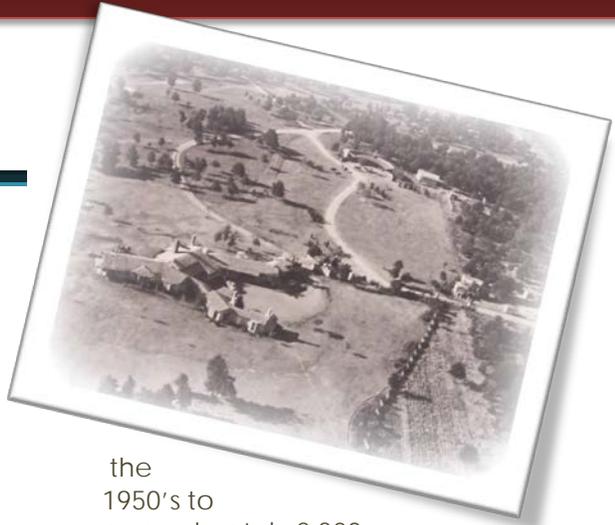


the 1950's to approximately 2,300 acres.

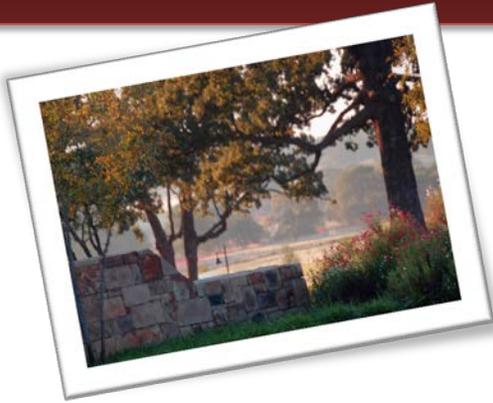
In 1955, there were rumors of an attempt to **annex Circle T Ranch**; as a defensive move, J Glenn Turner organized the neighboring ranches and homeowners in the surrounding community into forming their own city.

On the 27th day of December in 1956, citizens attended a meeting to **declare the Town of Westlake into existence thru incorporation** and to swear in the first Board of Aldermen.

The area included what is known today as Westlake, plus the area north, to the northern shore of Denton Creek. This northern land was annexed from Westlake and formed the town of Trophy Club in the 1970's.



# WESTLAKE HISTORY



## The 1960's...

In 1969, the **Circle T Ranch** was purchased by oil millionaire **Nelson Bunker Hunt**. The ranch became known for its glamorous parties attended by celebrities from all over the world.

## The 1970s ...

In the early 1970's, the state decided to name one of Westlake's well-known streets after the person who was living in the first **house on the road**. That person was **J.T. Ottinger**.

Also in the early 1970s, Houston developers and professional golfer Ben Hogan approached Westlake about building a golf course, country club, and a housing development. In 1973, **Westlake annexed what is now known as the town of Trophy Club**, clearing the way for the upscale housing development and golf course.

## The 1980's ...

In the mid-1980s, IBM built **Solana, the multi use office complex**. IBM maintained a large presence until the mid 1990's. At that time, several of the office buildings became available for use by other corporations. Eventually, IBM sold its partnership interest.



## The 1990's ...

In 1989, Nelson Bunker Hunt declared bankruptcy and the **Circle T Ranch** was purchased by Ross Perot Jr. in 1993.

In 1997, to the dismay of residents, there was an attempt to **dissolve the Town of Westlake**. Many court battles, including appeals to the Texas Supreme Court, were waged as emotions rose. Ultimately Town leadership prevailed

## 2000's ...

2000 - The **Westlake Historical Preservation Society** was established for the purpose of recording and preserving the rich history of the Town of Westlake.



2002 – VIP's and residents of Westlake gather IN November at the site of the new Westlake Academy to help raise the first wall of the school. Westlake approved the purchase of the first Fire truck and ambulance in December.

2003 – Westlake Historical Preservation Society holds **the first Annual Decoration Day** on Memorial Day. **Westlake Academy opens in September**. The hope is that the new school will spur growth and unite the Westlake community.

2006 – Celebrations began to commemorate the **50<sup>th</sup> anniversary** of the incorporation of Westlake in December 1956.

2007 – **The Town of Westlake dedicated and sealed a time capsule** containing a variety of

special items. This time capsule will remain sealed until September 8, 2057, during the town's 100th anniversary celebration.

2008 – The development of **Terra Bella**, a 54.7 acre high-end single family subdivision began off Dove Road.

2009 – **Deloitte University** announces Westlake as the site for its \$300 million learning and leadership center. **Westlake Academy Arts & Sciences Center** was completed.

2010 - Westlake's **first gas well** was successfully drilled in Solana.

2011- **New retail growth** began along the Town's western boundary with construction of a new Quick Trip convenience store and a Centennial Fine Wine & Liquor store. **Deloitte opened for full operation**.

2012 – **Phase 1 of FM1938 (Davis Blvd)** construction was completed. Hillwood Properties invested \$4.6 million in street improvements. Westlake Academy completed its ninth year of operations.



The Town of Westlake – Investing in Our Future

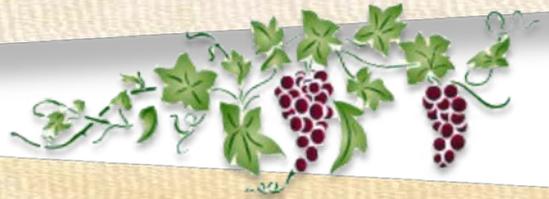
# WESTLAKE COMMUNITY EVENTS

Westlake is a family-friendly environment where events are held to allow our residents to participate in activities with their children and neighbors.



## ARBOR DAY...

The Westlake Arbor Day Celebration is held each April. This annual celebration is an afternoon of activities, live entertainment, best cookie competitions, auctions, and a variety of great food. Kids' activities have included pony rides, face painting, games, crafts, and an obstacle course. In addition, there are educational sessions on tree care advice, and complimentary trees. Admission is free. ☺



## 2ND ANNUAL CLASSIC CAR SHOW...

Despite the chilly weather, a crowd of classic car enthusiasts joined together on Saturday October 27th at the Solana Club in Westlake for the Second Annual Westlake Vintage Car Show. The event featured vintage classic original or restored to original automobiles, trucks and pickups from 1909 to 1959. Awards included Best of Show, Best of Class, People's Choice and Town of Westlake Mayor's Choice. ☺



## 2ND ANNUAL FIRE DEPARTMENT BBQ...

The Town of Westlake Fire Department hosted its 2nd annual BBQ on Saturday October 20, 2012 from 5pm till 8pm. This was a great community event for our Westlake residents and fun for the whole family! Everyone brought cameras and took photos, enjoyed our firemen's excellent BBQ, met our brave first responders, and to take a look at our new attack vehicle and medic unit. Check out the video on our town website. ☺



# WESTLAKE COMMUNITY EVENTS

## MASTERWORKS CONCERT SERIES...

The Masterworks Music Series is a variety of free music programs sponsored by the Town of Westlake, Maguire Partners, and ARTSNET. These free concerts are for arts lovers of all ages and feature instrumental a vocal music ranging from Country & Western to Blues & Jazz with the entertainment of local, regional and national artists. The concert season begins in April and features an exciting performance each Thursday through the month of May. Performances are held at the Village Center. ☺



## COMMUNITY TREE LIGHTING...

Enjoy an evening of community fellowship at the Westlake Academy Campus, as the holiday season officially begins with the lighting of the Westlake Christmas Tree. This free event includes games & entertainment, cookie decorating, musical selections by the Westlake Academy Choral Group and Drama Students. And don't forget our special visitors from the North Pole! ☺



## DECORATION DAY...

The Westlake Preservation Historical Society sponsors its annual "Decoration Day" event each Memorial Day in Westlake at the Odd Fellow Cemetery. This community event is a public commemoration of veterans, both past and present, who have served our country and defended our freedom and liberties. Activities include live music, treasure hunts for the kids, and a homemade ice-cream competition. Past events have included live reenactments of people and events pertaining to Westlake's history. The event ends at sunset. ☺



# WESTLAKE HISTORICAL MARKER PLAN

Board members of the Westlake Historical Preservation Society researched eight significant locations recently nominated for historical markers. The Town Council unanimously approved a historical marker master plan which identified the sites and place markers. The sites are in the heart of Westlake and on highly traveled roads. Instead of going through the State to receive the designated plaques, the Town will take on the project. The Texas Historical Marker application process requires exhaustive research and documentation for potential sites and could take two to three years. The sites identified by the Society include:



1. The **chimney** from the original Buck King homestead still standing at Pearson Lane and Aspen Lane. Pearson Road was known as Buck King Road. *Dedication was held in July 2012.*
2. **Shockey-Huffman homestead site**, now occupied by Solana Village. The homestead, established by Isaac Shockey in 1885, consisted of multiple wood-frame buildings and a well. *Dedication was held in September 2012*
3. The location of **Possum Trot School**, a one-room school house from 1890 to 1905 near Dove and Ottinger roads, south of Westlake Academy. The school had 16 to 20 students ages 8 through 13.
4. The **Thrasher Family Home**, on Dove Road west of Precinct Line Road, home of Henry and Beulah Thrasher on a 40-acre tract bought in 1938.
5. The site of an 1850s log cabin on Denton Highway south of Stagecoach Hills Airpark. Later a **rock house** was built there where travelers on the Denton-Birdville **stagecoach route** stopped for water collected from nearby springs.
6. The Dealey Home (**Paigebrooke Farm**), off of Dove Road near Ottinger Road, designed by Charles Dilbeck and built in the late 1930s.
7. **Circle T Ranch** off of State Highway 114. J. Glenn Turner purchased the 2,300 acres in the 1940s and 1950s.
8. **Terra Bella Homestead** site on Dove Road, purchased by Ed Noack in 1965, which became Terra Bella Estates in 2007.



The next steps for the historical society includes completing research and documentation of the potential sites, obtaining agreements from landowners and preparing cost estimates for the council. Each marker will range from \$1,500 and \$2,000, not including installation or parking spaces. As this develops, we will create a trail map as part of our local tourism efforts. These markers are an important component of our history, a permanent record of those who preceded us here.



# CODERED EMERGENCY NOTIFICATION SYSTEM

The Town of Westlake is pleased to announce that we have contracted with CodeRED, a high-speed mass emergency notification solution allowing town officials the ability to quickly deliver messages to targeted areas of our community in emergency situations. We placed the CodeRed emblem prominently on our Westlake homepage...



This secure, customized CNE page allows residents to add or update their contact information to ensure they will be included when a message is sent. You may indicate your preferred method of contact and register for one to three types of notification alerts.

Fire Chief Richard Whitten cautioned that such systems are only as good as the telephone number database supporting them. One of the reasons the CodeRED system was selected is it gives individuals and businesses the ability to add their own phone numbers directly into the system's database, which is an extremely important feature. It gives those citizens who want to be included an easy and secure method for inputting their information.



CodeRED allows geographically based delivery, which means street addresses are required to ensure emergency notification calls are received by the proper individuals in a given situation.

The system works for all types of phones and texts too, but we need to have an associated street address to provide relevant messages for weather related emergencies via National Weather Service and/or community related emergencies such as hazardous waste spills, local weather emergencies, missing children or elderly alerts, etc.

Chief Whitten urges citizens to log onto the Town of Westlake website and register as soon as possible. In the coming weeks/month, we will begin testing all numbers received by sending out a call to the entire community.

The calls/testing will continue until the entire database has been attempted. This test call will give Westlake personnel the chance to operate the system as if there has been a community wide disaster.

Check with your neighbors to help spread the word, especially if you know they do not utilize the internet, email, and/or computers frequently.

Your assistance and cooperation is appreciated while we work hard to help keep our residents and community as safe as possible.

Citizens without Internet access may call (817)490-5745, Monday through Friday, 9:00 a.m. to 4:00 p.m. and relay their information over the telephone.

Log onto the Town's website, [www.westlake-tx.org](http://www.westlake-tx.org) Clicking on the CodeRED icon/emblem (example shown above) found in the left hand margin.

Need further assistance? Call our Westlake Emergency Management Office & Fire Station at (817)490-5745 or (817)337-4722

# WESTLAKE ACADEMY

Westlake Academy is a K-12 open enrollment public charter school that opened in September 2003. Westlake Academy distinguishes itself among neighboring educational offerings with a particular focus on producing students who are globally minded.

The programs of the International Baccalaureate Organization (IBO) have been selected as the educational model utilized at the Academy. These include the Primary Years Program, Middle Years Program and Diploma Program.

An environment rich with heritage, the Westlake Academy mission is to provide educational opportunities to each child in keeping with his or her individual needs.

The primary geographic service area for Westlake Academy is the town limits of Westlake; students from other locations may be considered if seats are available.

Westlake Academy is a premier learning establishment that prides itself on providing a learning environment where students have the resources and facilities to excel.

## WESTLAKE ACADEMY ACHIEVED NEW NATIONAL RANKINGS:

- U.S. News and World Report ranked Westlake Academy as
  - ✓ #5 in Texas
  - ✓ #6 in U.S. Charter Schools
  - ✓ #37 in U.S. public high schools
- Ranked #36 in the Nation by Washington Post's High School Challenge Index for 2012
- Ranked #18 in American High Schools by Newsweek





# FACTS AND FIGURES



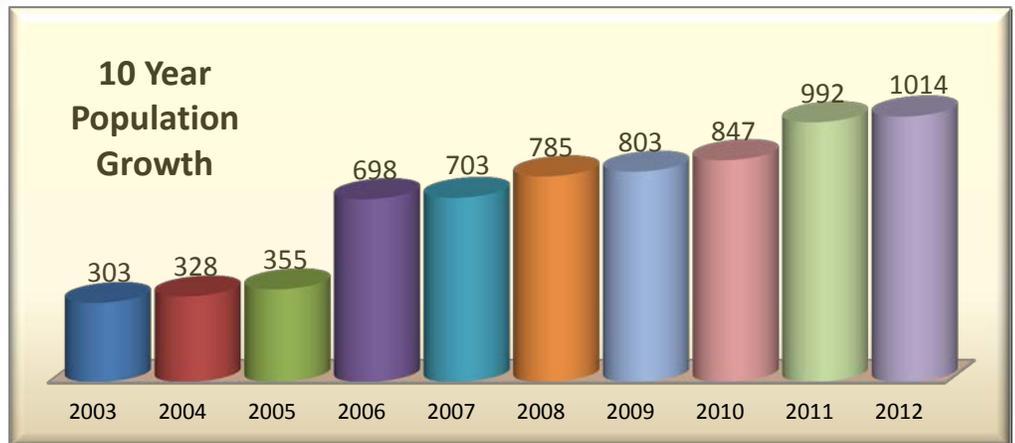
## Location

Westlake is approximately seven square miles, located along the Northeast border of Tarrant County and partially extended into the southern portion of Denton County.

It is conveniently located twelve miles to the west of DFW Airport and seven miles to the east of the Alliance Airport providing quick, easy access to all areas of the Dallas-Ft. Worth Metroplex.

## Population

The Town of Westlake has experienced exponential growth in the last decade; the national census reported 207 residents in 2000 and 992 residents in 2011.



Average Age	Percent
18 – 34 years	3.5%
35 – 54 years	52.2%
55 – 74 years	39.2%
75+ years	3.9%

Source: 2011 Westlake Citizen Survey

## Westlake Employers

The DFW Metro area is home to more Fortune 500 companies than any other area in the United States. Several major employers are located within the Town of Westlake as listed the chart below.

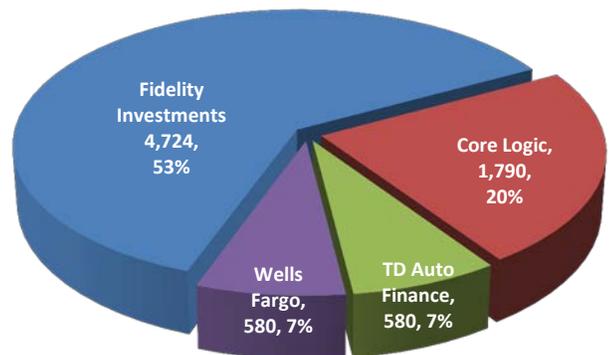
Household Income	Percent
Under \$50K	2.7%
\$50K - \$149K	6.3%
\$150K - \$500K	42.7%
\$500K plus	32.9%

Source: 2011 Westlake Citizen Survey

The Solana Office Complex was the first of many corporate headquarters built by IBM in the 1980's.

Since then Westlake has collected additional corporate residents like, Fidelity Investments, Core Logic, Verizon, TD Auto Finance, and many more.

## Top 4 Westlake Employers



# FACTS AND FIGURES

## Property Tax

The Town of Westlake instituted a property tax in 2010.

- The current adopted rate for FY12/13 is \$.15684
- Maintenance and operations (M&O) is .14197,
- Debt service or interest & sinking (I&S) is .01487

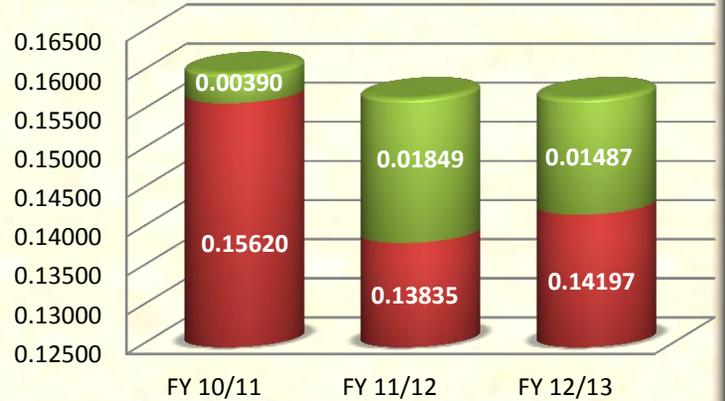
## Jurisdictions

The Town of Westlake contracts with the Tarrant County Tax Assessor Collector's Office to collect the Town's portion of local property tax.

There are multiple taxing jurisdictions within Westlake's boundaries; whether or not a business or residence is required to pay tax to a particular jurisdiction is determined by where they are located within Westlake and the boundaries of the respective taxing jurisdictions.

## Property Tax Rates

■ M&O Rate ■ DS Rate



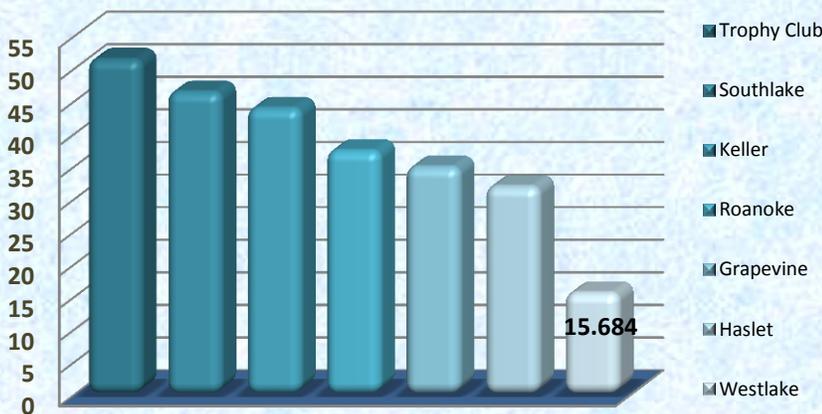
Currently, the following taxing jurisdictions collect property taxes in Westlake:

- Independent School Districts; Carroll, Keller and Northwest
- Tarrant County; College and Hospital
- Denton County and Trophy Club MUD 1



Westlake residents can determine which taxing jurisdictions apply to their property as well as obtain current property tax rate information by conducting a property search on the appropriate appraisal district website: Denton Central Appraisal District or Tarrant Appraisal District.

## 2013 Ad Valorem Tax Comparison per \$100



## Homestead Exemptions

The Westlake Town Council approved a homestead exemption of 20%, which is the maximum amount allowed by the State of Texas.

## Tax Freeze

The Town Council also approved a tax freeze for all residential accounts identified as over 65 by the tax appraisal district. To learn more information about the tax freeze or find out if you qualify, please visit either of these websites: Denton Central Appraisal District or Tarrant Appraisal District.

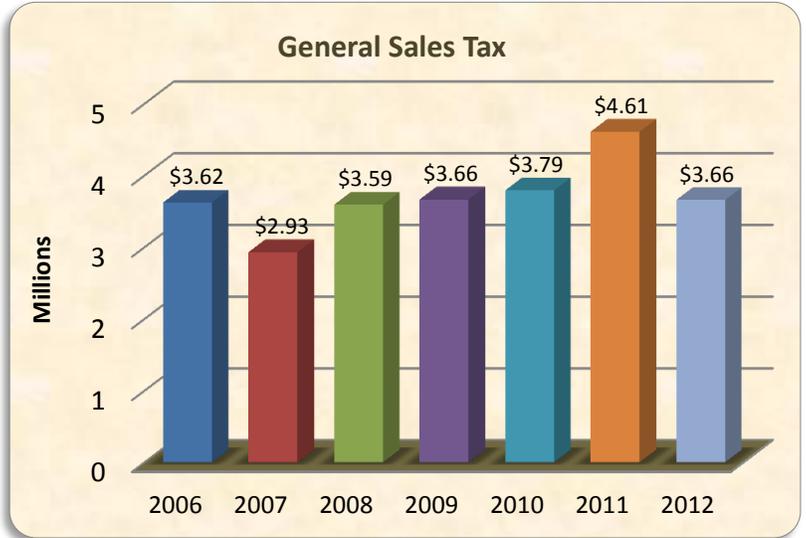
# FACTS AND FIGURES

## Sales & Use Taxes

Many people don't know that most of their sales and use tax is remitted to the State of Texas; in fact, for every dollar of taxable sales, the state receives six and one quarter cents (or 6.25%)

In the State of Texas local municipalities have the option to adopt up to an additional two cents (or 2%) for local use for a total maximum combined rate of 8.25%.

This local tax must be in accordance with state law and be utilized for specific purposes as identified by the state's local government code.

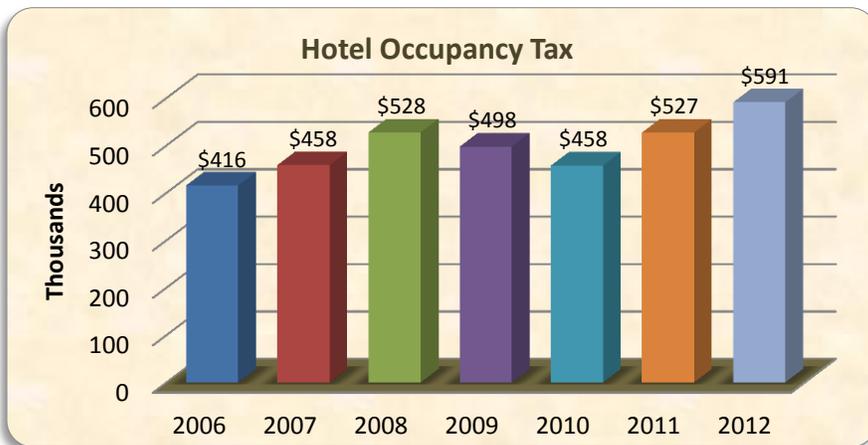


2011 Includes one-time economic development revenues



**4B Economic Development Fund** – This fund utilizes the revenues generated from a ½ cent sales tax to fund qualified development projects. Currently, the 4B Fund is committed to the repayment of the debt incurred for the construction of Westlake Academy.

**General Fund Allocation** – The Town levies 1-½ cent sales. The revenues generated from this tax are utilized to offset expenditures in the General Fund and to reduce the property tax burden on local residents and businesses by providing Westlake with an additional unrestricted revenue source.



## Hotel Occupancy Tax

In addition to sales and use tax collections, the Town receives a 7% hotel occupancy tax from the Marriott Solana, Deloitte University and any future hotels in Westlake.

This revenue is recognized in the Visitors Association Fund and is used to help fund a shuttle program for hotel guests as well as other marketing and promotional activities.

*These summary highlights are taken directly from the Management Discussion and Analysis section of the fiscal year 2012 Westlake Comprehensive Annual Financial Report (CAFR).*

# FACTS AND FIGURES

## Residential Subdivisions

The Town of Westlake is home to several communities, all of which share a commitment to excellence but possess unique character and charm:



**Terra Bella** - Terra Bella is a 28 lot, 54 acre, gated Planned Development subdivision. As Westlake's newest subdivision, the first house was permitted for

construction in August 2009. Terra Bella is accessible from Dove Road and Sam School Road,

**Mahotea Boone** - Westlake's oldest subdivision, having been platted about 1978, has fourteen lots, eleven of which currently have older homes. It is zoned for minimum two acre lots and appears to be redeveloping with larger homes.



**Stagecoach Hills** - In this 30-house subdivision, airplanes are almost as common as cars. The subdivision's name comes from its location on an old stagecoach trail from Keller to Denton.

**Aspen Lane** - This subdivision began in the 1980's as Shelby Estates and offered lots containing about 10 acres. An old chimney (the site of a future historical maker) denotes the entrance to this subdivision.



**Glenwyck Farms** - this 84 lot subdivision of half acre lots was created in 1999 and is located off Dove Road.

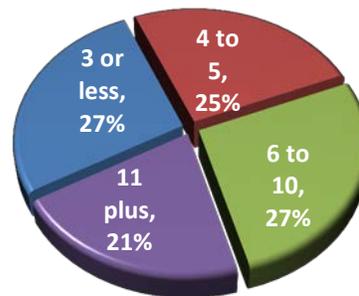
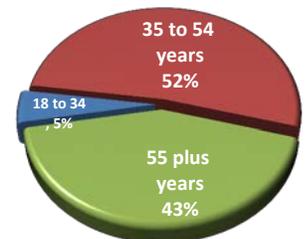
**Paigebrooke** - is located off Dove Road near Ottinger Road. This subdivision sits on 57 acres of flat pasture land, and was created to have hills and four large ponds.

**Vaquero** - is home to gently rolling hills and picturesque meadows, world-class private golf among shimmering ponds and groves of majestic oaks, state-of-the-art club facilities, and personalized concierge services all within a protected family enclave.



**Wyck Hill** - formerly known as the Estates of Westlake was developed in 1996. A unique feature to the Wyck Hill development is that it only has one street. The 14 lots are of moderate size, ranging from one to two acres.

Age of Westlake Residents



How many years have you lived in Westlake?

New subdivision "Granada" was approved at a recent council meeting and construction will begin in 2013 on 85 lots.

# SIGS GOVERNMENT

In order to focus our efforts as it pertains to serving the residents and businesses as well as creating a dynamic strategic planning document, the Council and staff developed a **Strategic Issues-Focused Governance System (SIGS)**. The system is designed to combine the strategic plan, Balanced Scorecard Strategy Map and program based budget document into a comprehensive tool to guide the Town Council and staff as well as create an achievable vision for Westlake.

The plan is organized according to “Strategic Issues”; those issues identified as affecting our community over the next 24 months. This type of *issues-focused* version of a traditional strategic plan allows the organization to scan our environment for opportunities or challenges as it relates to our community and develop action plans to achieve the best results for Westlake.

The Strategy Map from the Balanced Scorecard component of the SIGS outlines the Town Council directives which are vital to our service provision levels for our community and identify measurable objectives to indicate our performance in these areas of achievement.

The Program Based Budget is an effort to quantify the cost of services by program rather than the traditional line-item budget format. The financial costs are identified by each program, rather than by department, along with an explanation of the core services and program objectives.

The philosophy of the Town of Westlake’s team embraces a “shared services model” as the most cost effective method to deliver excellent public services to the community through our dedicated and professional staff

members. The community consists of our local residents, the children, parents and staff of Westlake Academy, our corporate citizens, the employees who work in Westlake and various other customers, developers and visitors who do business in and around our town.

Through the use of a hybrid of internal direct service provision, inter-local agreements, public/private partnerships and the shared provision of programs at Westlake Academy, the staff strives to maintain Westlake as a premiere choice for families and corporate neighbors while operating in a financially responsible manner.

Each departmental director and their staff teams are cross-trained and provide support or management of the service programs for both the Town of Westlake and the Town-owned charter school, Westlake Academy. These programs include facilities maintenance, development, human resources, IT support, financial services, communications, and executive level management.

The final results are a group of individuals who are actively engaged in creating a unique living experience through community events, educational opportunities and distinctive neighborhoods, which cannot be experienced anywhere else.



# STRATEGY IS EVERYONE'S JOB

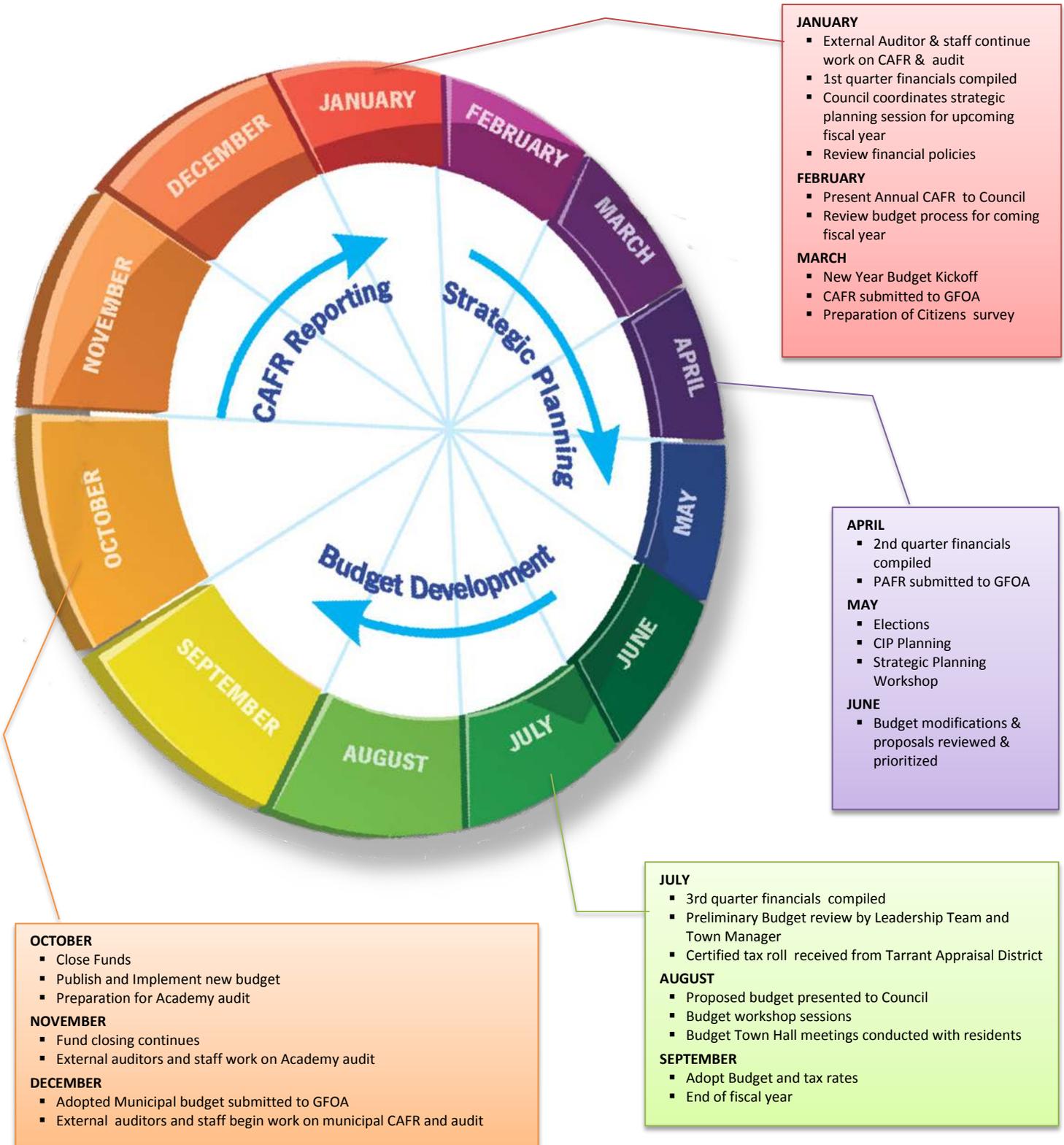
## Why Integrated Strategic Planning and Management with a Balanced Scorecard?

- Communicates with clarity an organization's vision, mission and strategy to employees and other stakeholders
- Aligns day to day work to vision and strategy
- Provides a framework for prioritizing programs, projects, services, products and resources
- Uses strategic performance measures and targets to measure progress.



*Courtesy of Balance Scorecard Institute (BSI)  
A Strategy Management Group Company*

# FINANCIAL CYCLE



# OVERVIEW OF AUDITED RESULTS

Each year, the Town of Westlake prepares a Comprehensive Annual Financial Report in accordance with generally accepted accounting principles. This detailed report is over 100 pages long and presents a complete financial picture of the town. While this report is significant to the government and financial community,

many residents do not have the time to study it in its entirety.

As a result, the Government Finance Officers' Association encourages governments to produce a Popular Annual Financial Report (PAFR) that is a quick summary of information in the detailed report.

The data included in the Popular Annual Financial Report below provides a summary of the town's governmental activities for the year ended September 30, 2012.

The largest portion of the Town's net assets reflects its investments in capital assets (e.g. land, buildings, equipment, improvements,

construction in progress, and infrastructure), less any outstanding debt. An additional portion of the Town's net assets represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

The **assets of the Town exceeded its liabilities** at the close of the most recent fiscal year by **\$29,857,712** (Net assets). This number must be viewed within the context that the vast majority of the Town's net assets of \$21,743,854 (73%) are capital assets and that most capital assets in a government entity do not directly generate revenue nor can they be sold to generate liquid capital. Those net assets restricted for specific purposes totaled \$4,726,376 (16%). The remaining \$3,387,482 (11%) are unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies.



As of the close of the current fiscal year, the Town of Westlake's **governmental funds reported combined ending fund balances of \$10,930,861**, which is a decrease of \$35,719 in comparison with the prior year. Within this total, \$5,938,621 is non-spendable, restricted, committed or assigned by management or council.

At the end of the current fiscal year, **fund balance for the general fund was \$5,263,805**, an increase of \$1,248,411 in comparison with the prior year. Of this total fund balance, \$4,992,240 is unassigned. This represents 108% of the total general fund expenditures and is equivalent to 396 operating days.

The Town's **bonds payable decreased by \$78,000** in total, due to principal payments and refundings of \$7,453,000 offset by the issuance of General Obligation Refunding bonds in the amount of \$7,375,000.



The **Town's capital assets (net of accumulated depreciation) increased by \$568,550**. The major portion of this increase is attributed to the work completed on the Roanoke Road drainage/reconstruction project, Stagecoach Hills water line project, and the purchase of an attack truck and ambulance. A total of \$904 thousand was recorded as construction in progress expenses for several road and water projects, including FM 1938 improvements along with Stagecoach Hills drainage/reconstruction. A small amount was contributed to the beginning of the Academy expansion project. This total amount was offset by \$1,275,214 of depreciation which gave the Town a net increase.



*These summary highlights are taken directly from the Management Discussion and Analysis section of the fiscal year 2012 Westlake Comprehensive Annual Financial Report (CAFR):*

# ECONOMIC CONDITIONS AND OUTLOOK

While we clearly understand the nation as a whole continues to try and recover from the economic downturn, the Town remains committed to budgeting and forecasting projections based on a fiscally conservative formula. We have accomplished many great things this past year through our use of partnerships and inventive

strategies to govern our community. We have begun the process of reinvesting in our infrastructure and will continue to do so over the next several years – paying special attention to unique cost sharing opportunities, both public and private. Our overall goal is to provide our residents with a living experience that is second-

to-none. The Town staff is aware that the Town of Westlake does not create wealth, but instead, is entrusted with public dollars collected on behalf of our citizens. We are stewards who are fully vested in the success of the Town of Westlake and Westlake Academy. We exist as a municipal corporation for one reason and one reason

only: to prioritize and deliver the best services possible with the resources provided to achieve an exceptional quality of life. This is a challenge the Staff takes very seriously, one that we pursue with vigor every day. Below, please find the milestones and strategic priorities that were achieved during FY 11-12:

Construction on the State's \$15 Million **Phase 1 FM 1938 (Davis Blvd.) project was completed in the fall of 2012.** This completed project provides a section of four-lane and a section of six-lane divided roadway to facilitate north/south mobility. Work has begun on the Town Council-approved streetscaping plan (contained in our CIP) to help identify this new and significant entry point and corridor for our community. We anticipate this phase of enhancements to be completed by mid-summer 2013 with the next phase beginning in fall 2013.

**Deloitte University opened for full operation in October 2011** and has been an overwhelming success. While being built, it was the largest (\$300 million) private construction project in Texas. It serves as Deloitte's state-of-the-art national and international learning center for its employees bringing Deloitte employees to Westlake from all over the world.



**Westlake Academy was also ranked among the best high schools in America.** U.S. News & World Report ranked the school as 37th in the nation, 5th in Texas and 6th in national charter schools. They further designated the Academy as a Gold Medal recipient. Newsweek listed the school as the 18th best high school in the United States and the Washington Post shows them as 36th out of 1,800 schools across the nation.

**Westlake was recognized again by Forbes Magazine** as one of the wealthiest communities in the United States, with a median household income of \$250,000. Our community shared this spotlight with Chevy Chase, MD, a city of twice our population size. The article mentioned Westlake's small town feel, limited population, and also touched on many of our high-profile residents.



In FY11-12 the Town neared completion of the implementation of a **development agreement with Hillwood Properties** whereby, as a part of commitments Hillwood had for development of Deloitte University, they invested \$4.6 million in street improvements on Westlake's major roadways- Dove Road and JT Ottinger Road.



More detailed information can be found in the Introductory Section of the Westlake Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012.

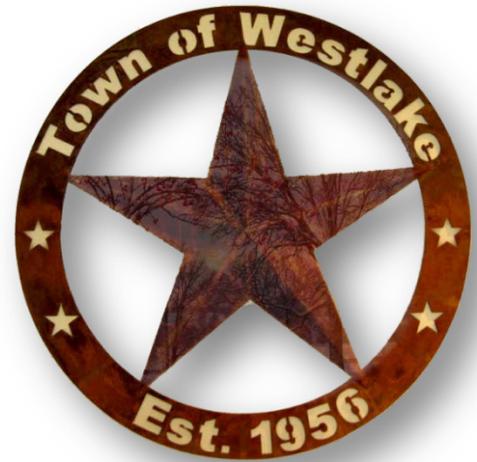
# ECONOMIC CONDITIONS AND OUTLOOK

The Town's open enrollment charter school, **Westlake Academy**, finished its **ninth year of operations** with another strong showing of academic and extra-curricular results by our students. This year's graduating class had an overall 89% success rate in obtaining the prestigious International Baccalaureate Diploma and the 28 graduates were offered collectively over \$3.5 million in scholarships and grants. The Academy's enrollment continues to grow with an estimated 660 students enrolled for the 2012-13 School Year.

Received the International City/County Managers Association **Community Sustainability Program Excellence Award** for Westlake Windows: Transparent Government in Focus (TGIF). The category recognizes those communities who have shown a commitment to "innovation, excellence, and success in balancing that community's social, economic, environmental, and cultural needs". (ICMA). We submitted the award with an emphasis on our communication efforts as it related to financial sustainability, transparency with capital improvement efforts, neighborhood meetings, Westlake e-Tube, website redevelopment, email newsletters, and other forms of community outreach programs.



What began as retail construction in FY10-11 came to fruition in FY11-12 with the **opening of the new Quik Trip convenience store and the Centennial Fine Wine and Spirits store**. This is Westlake's first retail development outside of Solana. It is located along the Town's western boundary at the northwest corner of SH170 and SH377 and has already had a positive impact on our sales and use tax collection rates.



The Town's previous strategic planning document was restructured from a traditional format to a comprehensive governance system which we call the **Strategic Issues-focused Governance System (SIGS)**. The system follows a Balanced Scorecard format with a four-tiered strategy map, an issues-focused set of staff action items, outcome strategies that align with our community value statements and a program based budget allocation.

The Westlake Town Council received the award for "**Council of the Year**" from the Texas City Managers Association. This honor recognizes those governing bodies that have a demonstrated commitment to ethical service, put the welfare of the citizens above personal gain, function well as a governance unit, support staff professional development, and positively impact their community. The award nomination outlined the difficult ad valorem property tax decision, the continuing commitment to professional management and development, and the Westlake Town Council's ability to work together in difficult situations. This is a great honor and recognition for our Council's commitment to Westlake.



# GOVERNMENT WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the government's financial position. In the case of the Town, assets exceeded liabilities by \$29,857,712 at the close of the most recent fiscal year.

## Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
<b>ASSETS</b>						
Current assets	\$ 12,185,864	\$ 12,449,931	\$ 3,503,989	\$ 3,401,345	\$ 15,689,853	\$ 15,851,276
Capital assets	34,313,615	33,665,877	12,376,223	12,455,411	46,689,838	46,121,288
<b>Total Assets</b>	<b>46,499,479</b>	<b>46,115,808</b>	<b>15,880,212</b>	<b>15,856,756</b>	<b>\$ 62,379,691</b>	<b>61,972,564</b>
<b>LIABILITIES</b>						
Long-term liabilities	20,098,829	20,731,060	5,422,434	5,507,172	25,521,263	26,238,232
Other liabilities	1,784,244	2,140,365	5,216,472	5,016,645	7,000,716	7,157,010
<b>Total Liabilities</b>	<b>21,883,073</b>	<b>22,871,425</b>	<b>10,638,906</b>	<b>\$ 10,523,817</b>	<b>32,521,979</b>	<b>33,395,242</b>
<b>NET ASSETS</b>						
Invested in Capital	14,866,299	14,188,516	6,877,555	6,875,031	A 21,743,854	21,063,547
Restricted	4,726,376	5,607,767	0	0	B 4,726,376	5,607,767
Unrestricted	5,023,731	3,448,100	(1,636,249)	(1,542,092)	C 3,387,482	1,906,008
<b>Total Net Assets</b>	<b>\$ 24,616,406</b>	<b>\$ 23,244,383</b>	<b>\$ 5,241,306</b>	<b>\$ 5,332,939</b>	<b>D \$ 29,857,712</b>	<b>\$ 28,577,322</b>

An additional portion of the Town's net assets, **\$4,726,376** (16%), represents resources that are subject to external or internal restrictions on how they may be used.

**B**

The balance of unrestricted net assets, **\$3,387,482** (11%), may be used to meet the government's ongoing obligations to citizens and creditors.

**C**

The Town's combined net assets changed from a year ago, increasing \$1,280,390 from \$28,577,322 to **\$29,857,712**.

**D**

The largest portion of the Town's net assets, **\$21,743,854** (73%), reflects its investment in capital assets (e.g. land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire capital assets still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**A**

Although the Town'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.

These summary highlights are taken directly from the Management Discussion and Analysis section of the fiscal year 2012 Westlake Comprehensive Annual Financial Report (CAFR).

# GOVERNMENTAL FUND SUMMARY

The following tables present a summary of general, special revenue, capital project, and debt service fund revenues and expenditures for the fiscal year ended September 30, 2012, and the amount and percentage of increases and decreases in relation to the prior year.

Brief analysis of the material increase (decrease) in fund balances from FY 2011 to FY 2012 of the Governmental Funds that are contained in these totals:

### General Fund - Fund balance increased \$1,248,411 (31%)

- Sales tax - FY 11-12 was the first year sales tax payments from the Property Tax Reduction portion of our receipts were recorded in the General Fund versus its own fund. The total amount was \$914K. In addition to these additional receipts, the Town received a contribution of \$325K from the Westlake Academy for indirect costs for services performed by Town staff.

### 4B Economic Development Corporation Fund - Fund balance decreased \$89,193

- All funds received were transferred to the Debt Service Fund for the annual bond payments.
- Fund balance decreased due to the reduction of a receivable from the Utility fund for an interfund loan made to the Utility Fund for several utility projects in past years

### Visitors Association Fund - Fund balance decreased by \$58,734

- Primarily due to a budgeted transfer of funds for the partial payment of the bonds related to the Arts & Sciences Center.

### Capital Projects Fund - Fund balance decreased by \$1,053,529

- Due to the usage of bond funds for various approved capital projects.

	FY 2012 Amount	Percent of Total	Increase (Decrease) from FY 2011	Percent Increase (Decrease)
Sales Tax	3,657,274	25.7%	(952,352)	-20.7%
Property Tax	1,442,068	10.1%	184,822	14.7%
Beverage Tax	38,286	0.3%	18,565	94.1%
Hotel Tax	590,853	4.2%	63,592	12.1%
Franchise Fees	664,991	4.7%	78,155	13.3%
State Program	4,369,635	30.7%	423,977	10.7%
Federal Program	152,351	1.1%	(5,094)	-3.2%
Interest Income	33,353	0.2%	(12,895)	-27.9%
Permits and Fees	598,394	4.2%	67,748	12.8%
Fines & Penalties	622,338	4.4%	16,633	2.7%
Contributions	732,535	5.1%	552,472	306.8%
Miscellaneous	1,323,237	9.3%	342,421	34.9%
<b>Total Revenues</b>	<b>\$ 14,225,315</b>	<b>100%</b>	<b>\$ 778,044</b>	<b>5.8%</b>
General Government	1,878,885	13.0%	145,561	8.4%
Public Safety	2,224,469	15.4%	381,718	20.7%
Culture & Recreation	111,765	0.8%	(10,635)	-8.7%
Public Works	391,115	2.7%	64,366	19.7%
Economic Development	243,939	1.7%	(462,452)	-65.5%
Visitor Services	475,719	3.3%	119,354	33.5%
Education	6,193,560	43.0%	1,308,575	26.8%
Capital Outlay	1,110,476	7.7%	86,704	8.5%
Debt Service	1,768,918	12.3%	94,095	5.6%
<b>Total Expenditures</b>	<b>\$ 14,398,846</b>	<b>100%</b>	<b>\$ 1,727,286</b>	<b>13.6%</b>

*These summary highlights are taken directly from the Management Discussion and Analysis section of the fiscal year 2012 Westlake Comprehensive Annual Financial Report (CAFR).*

# LONG-TERM FINANCIAL OUTLOOK

Financial forecasts are used by the Town to identify important warning “sign posts” that should not be ignored. Beginning in FY 09-10, as the nation’s economic recession reduced Westlake’s primary revenue source of sales tax, we began using a thematic approach to bring focus to the major issue or issues for that

particular budget. That year’s budget theme was “Critical Challenges, Critical Choices”, intending to signal the need for meaningful community-wide dialogue as to how Westlake would come to grips with its vision, as well as an associated financial future. We fostered this dialogue using

primarily meetings in every Westlake neighborhood, our electronic newsletter, email blasts, focus group meetings, and placing extensive financial information about the Town’s financial sustainability challenges on our website.



The selection of any budget theme is intended to bring into focus how resources are recommended to be prioritized and used in order to take the next step in achieving or creating our vision, mission and community values for Westlake. Over the history of our Town, budgets have been prepared with an eye toward being fiscally conservative, while providing for the highest quality of customer service that our residential population has come to expect in Westlake.

In **FY 10-11 the budget theme was “Securing the Vision”**. The focus of that budget’s theme was to progress from the FY 09-10 discussions, and seek viable solutions to Westlake’s challenge of becoming financially sustainable. Ultimately, this resulted in the Town Council adopting a \$.16010 per \$100 of assessed valuation municipal property tax rate. This was the lowest property tax rate of any city in our area, but it stabilized the General Fund’s downward fund balance trend and has allowed us to begin dealing with our road infrastructure.

Decisions in FY10-11 led to the **FY 2011-12 budget theme of “Investing in Our Future”**. This was because assessment of a small property tax had given us the ability to invest in the improvement of roadways and other infrastructure projects that will provide tremendous benefits to our residents and businesses over the next several years.

In addition to the Town funded capital projects plan, Staff worked hard to identify and secure infrastructure funding through public/private and inter-local funding partnerships, along with grant funding, to minimize the impact to our tax rate and General Fund while providing high-quality infrastructure.

The results of the utilization of these non-Town resources to the benefit of Westlake can be seen in:

- ◆ Construction of FM 1938/Davis Blvd, a \$15 million dollar project funded primarily by State and Federal dollars.
- ◆ Dove Road/Pearson Lane intersection improvements, a new north entrance to Westlake Academy, as well as the Dove and J. T. Ottinger Road upgrades funded primarily by a \$4.6 million dollar development agreement with Hillwood Properties.
- ◆ Landscaping of the medians on the soon to be completed FM 1938/Davis Blvd. project will be funded by a \$670,000 Green Belt grant from TxDOT which helps us offset the associated costs for the streetscaping of this important north/south corridor.

In that light, the **FY 2012-13 theme of “Driving Service Excellence”** focuses on providing resources that will improve our ability to deliver excellent customer service, something that is integral to maintaining Westlake’s quality of life and its status as a one-of-a-kind community.

Users of this document, as well as others interested in the programs and services offered by the Town of Westlake, are encouraged to read the Town’s Fiscal Year 2012-2013 Budget. The budget details the Town’s long-term goals and financial policies, and describes program accomplishments and initiatives.

More detailed information can be found in the Introductory Section of the Westlake Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012.

# GENERAL LONG TERM DEBT

The Town's obligations are consolidated into one fund (Debt Service Fund) with payments being transferred from 4B Economic Development Fund, the General Fund and the Visitors Association Fund. Debt Service requirements of certificate of obligation and general obligations to be retired from governmental funds are as follows:

Year Ending September 30	Principal	Interest	Total Requirements
2013	\$ 800,000	\$ 813,828	\$ 1,613,828
2014	833,000	777,232	1,610,232
2015	862,000	735,281	1,597,281
2016	910,000	713,851	1,623,851
2017	890,000	706,032	1,596,032
2018-2022	4,981,000	3,004,793	7,985,793
2023-2027	5,583,000	2,089,868	7,972,868
2028-2032	6,488,000	847,528	7,335,528
<b>Total</b>	<b>\$ 21,647,000</b>	<b>\$ 9,688,413</b>	<b>\$ 31,335,413</b>

During the fiscal year ended September 30, 2008, the Town issued General Obligation bonds of \$2.5 million. These bonds were used for the construction of an Arts & Sciences Center that was completed during the current fiscal year.

During the fiscal year ended September 30, 2011, the Town issued Certificates of Obligation in the amount of \$2.095 million for various street projects.

Principal payments and refundings of \$7.453M were offset by the issuance of General Obligation Refunding bonds in the amount of \$7.375M.

## STANDARD & POOR'S RATING SERVICES

Standard & Poor's Ratings Services raised its rating on Westlake, Texas' general obligation (GO) debt one notch to 'AA' from 'AA-'. The outlook is stable. The upgrade reflects their assessment of the town's historically very strong finances and recent implementation of a property tax levy, which has further strengthened finances and lessened the operating fund's reliance on the somewhat volatile sales tax revenue stream.

The rating reflects their opinion of the town's:

- Inclusion in the deep and diverse Dallas-Fort Worth metropolitan statistical area (MSA) economy, including its location between the region's international airport and Alliance Gateway Airport;
- Extremely strong wealth and income, evidenced by market value per capita and median household effective buying income; and
- Very strong financial performance augmented by the implementation of formal financial management policies in several key areas.
- They believe the town's concentrated property tax base and, what they consider, our moderately high overall net debt as a percent of market value and extremely high per capita debt somewhat constrain the rating.
- The town's full-faith-and-credit pledge secures all bonds.
- Westlake's finances remain, in their view, very strong.
- The stable outlook reflects Standard & Poor's opinion that officials will likely sustain Westlake's very strong unreserved general fund balance.

More detailed information can be found in the Notes to the Financial Section of the Westlake Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2012.

# GENERAL FUND FIVE YEAR FORECAST

It is important to keep in mind the purpose of a forecast is to get a general picture of what the organization's financial condition over time could be, based upon conservative assumptions. The term "conservative" used in the context of financial forecasting means revenues are forecast at low growth levels or even at a decline (depending on the revenue source).

Expenditures, while not necessarily being forecast as declining, are generally forecast with a 2-3% escalation rate, depending on inflation. Forecasts generally have at least one scenario where all that is assumed on expenditures is the current level of service and perhaps some growth in salary/wage expenses.

The Council can, if they wish, ask that certain service level adjustments, whether it is service expansion or reduction, be included as alternate scenarios, particularly if

it appears that revenues will not cover expenditures in the out years of the forecast.

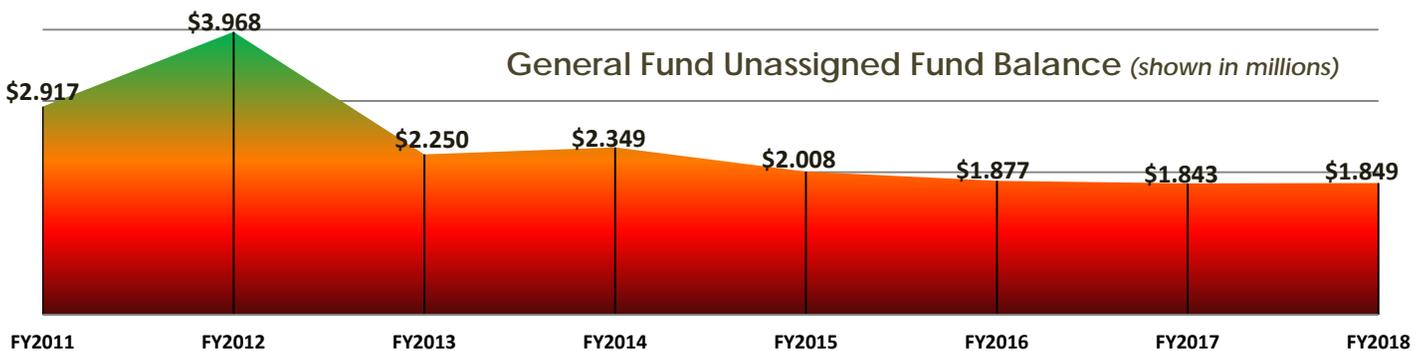
It is also important to remember, since the purpose of the forecast is to get an idea, based on conservative assumptions, as to the Town's financial condition during the five (5) year planning period, that the forecast is likely to show the Town's financial position to have reductions in fund balance as expenditures begin to exceed revenues (even with conservative expenditure assumptions).

This is the reason forecasting is a good tool, as it gives the Council time to strategize as to course corrections we may have to make financially, both in the short and long term.

Finally, it is important to remember the criticality that economic conditions play in forecasting, particularly as it relates to sales tax, which can be a volatile revenue source. If economic conditions improve, sales tax receipts are affected (usually positively) as well as building permit revenue.

DESCRIPTION	AUDITED FY2011	AUDITED FY2012	ADOPTED FY2013	PROJECTED FY2014	PROJECTED FY2015	PROJECTED FY2016	PROJECTED FY2017	PROJECTED FY2018
Total Revenues & Transfers in	\$ 6,308,147	\$ 6,202,663	\$ 5,518,605	\$ 6,049,681	\$ 6,183,870	\$ 6,321,468	\$ 6,462,566	\$ 6,607,255
Total Expenditures & Transfers Out	(6,715,618)	(5,143,134)	(7,247,103)	(5,946,032)	(6,519,664)	(6,446,784)	(6,492,123)	(6,595,052)
<b>NET R&amp;TI Over(Under) E&amp;TO</b>	<b>(407,471)</b>	<b>1,059,529</b>	<b>(1,728,498)</b>	<b>103,649</b>	<b>(335,794)</b>	<b>(125,316)</b>	<b>(29,557)</b>	<b>12,203</b>
Beginning Fund Balance	3,731,332	3,323,861	4,226,543	2,498,045	2,601,694	2,265,900	2,140,584	2,111,027
Ending Fund Balance	3,323,861	4,383,390	2,498,045	2,601,694	2,265,900	2,140,584	2,111,027	2,123,230
Restricted/Committed/Assigned	406,464	415,021	248,025	252,986	258,045	263,206	268,470	273,840
<b>Unassigned Ending Balance</b>	<b>\$ 2,917,397</b>	<b>\$ 3,968,369</b>	<b>\$ 2,250,020</b>	<b>\$ 2,348,709</b>	<b>\$ 2,007,855</b>	<b>\$ 1,877,378</b>	<b>\$ 1,842,557</b>	<b>\$ 1,849,390</b>

Sales tax revenue of \$1.357M from the Property Tax Reduction Fund was transferred to the General Fund during FY 11/12. The General Fund FY12/13 adopted budget includes a \$2M transfer out to the Utility Fund for a Ground Storage Tank capital project.



More detailed information can be found in the Long Term Planning Section of the Westlake Annual Operating Budget for the fiscal year 2012-2013.

# GLOSSARY

**Accounts Payable:** A liability account reflecting amount of open accounts owed to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

**Accounts Receivable:** An asset account reflecting amounts owed to open accounts from private persons or organizations for goods or services furnished by the government.

**Accrual Accounting:** Recognition of the financial effects of transactions, events, and circumstances in the period(s) when they occur regardless of when the cash is received or paid.

**Activity:** A service performed by a department or division.

**Allocation:** A part of a lump-sum amount, which is designated for expenditure by specific organization units and/or for special purposes, activities, or objects.

**Amortization:** Payment of principal plus interest over a fixed period of time.

**Assets:** Resources owned or held by the Town which has monetary value.

**Audit:** An examination, usually by an official or a private accounting firm retained by the Town Council, of organization financial statements and the utilization of resources.

**Balance Sheet:** The basic financial statement, which discloses the assets, liability, and equities of an entity at a specific date in conformity with General Accepted Accounting Principles.

**Balanced Budget:** A budget adopted by the Town Council and authorized by resolution where the proposed expenditures are equal to or less than the proposed revenues plus fund balances.

**Basis of Accounting:** A term used referring to when revenue, expenditures, expenses, and transfers – and related assets and liabilities – are recognized in the accounts and reported in the Town's financial statements.

**Bond:** A written promise to pay a specified sum of money, called the face sum of money, called the principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

**Budget:** The Town's financial plan for a specific fiscal year that contains an estimate of proposed expenditures and the proposed means of financing them.

**Capital Expenditures:** Any major non-recurring expenditure or expenditure for facilities, including additions or major alterations, construction of highways or utility lines, fixed equipment, landscaping or similar expenditures.

**Cash Basis:** A basis of accounting under which transactions are recognized when cash changes hand

**Comprehensive Annual Financial Report (CAFR):** This report summarizes financial data for the previous fiscal year in a standardized format.

**Depreciation:** Change in the value of assets (equipment, buildings, etc. with a useful life of 5 years or more) due to the use of the asset.

**Expenditures:** Outflow or non-enterprise funds paid or to be paid for an asset obtained or goods and services obtained.

**Expenses:** Outflow of enterprise funds paid or to be paid for an asset obtained or goods and services obtained.

**Fixed Assets:** Assets of a long-term character, which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery, and equipment.

**Franchise Fee:** A fee levied by the Town Council on businesses that use Town property or right-of-way. This fee is usually charged as a percentage of gross receipts.

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein.

**Fund Balance:** The excess of a fund's current assets over its current liabilities, sometimes called working capital or fund equity. A negative fund balance is often referred to as a deficit.

**GAAP-Generally Accepted Accounting Principles:** Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general applications, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations.

**GASB:** Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

**GFOA:** Government Finance Officers Association of the United States and Canada

**Investments:** Securities and real estate held for the production of revenues in the form of interest, dividends, rentals, or lease payments.

**Ordinance:** An authoritative command or order. This term is used for laws adopted by a municipality.

**Proprietary Funds:** Operation that operates like a private operation, in which services are financed through user charges and expenditures include the full cost of operations.

**Revenues:** Funds that the government receives as income. It includes such items a tax payment, fees from specific services, receipts from other governments, fines for forfeitures, grants, shared revenues and interest income.

**Transfer-In:** Funds expended in one fund and received in other.



# Town of Westlake

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[www.westlake-tx.org](http://www.westlake-tx.org)

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## THE GREAT SEAL OF WESTLAKE

### ROYAL BLUE AND BURGUNDY

Symbolizes the strengthening position of Westlake as a State and Nationally recognized City

**THE LONE STAR,**  
Symbolizing  
our proud home  
in the state  
of Texas

**THE BLACKSMITH,**  
The symbol  
of character,  
honor and  
strength

**THE OAK LEAVES,**  
A symbol of  
Westlake's  
commitment to  
the environment

**THE GLOBE,**  
The symbol of  
Internationalism



### DARK GREEN

Symbolizes the natural environment and financial growth of Westlake