

# TOWN OF WESTLAKE

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2021



THE TOWN OF  
**WESTLAKE**

DISTINCTIVE BY DESIGN



THE TOWN OF  
**WESTLAKE**

DISTINCTIVE BY DESIGN

# **Town of Westlake, Texas**

Annual Comprehensive Financial Report  
Fiscal Year Ended September 30, 2021

**Prepared by:**

Town of Westlake  
Finance Department

1500 Solana Blvd, Suite 7200  
Westlake, Texas 76262



THE TOWN OF  
**WESTLAKE**

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**Town of Westlake**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2021  
 Table of Contents

	Page	Exhibit
<b>Introductory Section</b>		
Letter of Transmittal	iii	
GFOA Certificate of Achievement	xi	
Organization Chart	xii	
Town Officials	xiii	
<b>Financial Section</b>		
Independent Auditor's Report	3	
Management's Discussion and Analysis	9	
<b>Basic Financial Statements</b>		
Government-Wide Financial Statements		
Statement of Net Position	23	A-1
Statement of Activities	24	A-2
Fund Financial Statements		
Governmental Funds Financial Statements		
Balance Sheet	26	A-3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	28	A-4
Statement of Revenues, Expenditures, and Changes in Fund Balances	30	A-5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32	A-6
Proprietary Funds Financial Statements		
Statement of Net Position	33	A-7
Statement of Revenues, Expenses, and Changes in Net Position	34	A-8
Statement of Cash Flows	35	A-9
Fiduciary Funds Financial Statements		
Statement of Fiduciary Net Position	36	A-10
Statement of Changes in Fiduciary Net Position	37	A-11
Discretely Presented Component Units Financial Statements		
Combining Statement of Net Position	39	A-12
Combining Statement of Activities	40	A-13
Notes to the Basic Financial Statements	43	
<b>Required Supplementary Information</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	91	B-1
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Westlake Academy	92	B-2
Notes to Budgetary Comparison Schedules	93	
Schedule of Net Pension Liability and Related Ratios - TMRS Pension Plan	94	B-3
Schedule of Pension Contributions - TMRS Pension Plan	95	B-4
Schedule of Academy's Proportionate Share of Net Pension Liability - TRS Pension Plan	96	B-5
Schedule of Pension Contributions - TRS Pension Plan	97	B-6
Schedule of Changes in the Total OPEB Liability and Related Ratios - TMRS OPEB Plan	98	B-7
Schedule of OPEB Contributions - TMRS OPEB Plan	99	B-8
Schedule of Academy's Proportionate Share of Net OPEB Liability - TRS Care Plan	100	B-9
Schedule of OPEB Contributions - TRS Care Plan	101	B-10

**Town of Westlake**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2021  
 Table of Contents – Continued

	Page	Exhibit
<b>Combining and Individual Fund Statements and Schedules</b>		
Major Governmental Funds		
Schedule of Revenues, Expenditures and Changes in Fund Balances		
Budget and Actual - Debt Service Fund	104	C-1
Nonmajor Governmental Funds		
Combining Balance Sheet	106	C-2
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	107	C-3
Nonmajor Special Revenue Funds		
Budgetary Comparison Schedules		
Visitors Association Fund	108	C-4
Lone Star Public Facilities Corporation Fund	109	C-5
Economic Development Fund	110	C-6
4B Economic Development Corporation Fund	111	C-7
<b>Statistical Section</b>		
Net Position By Component	115	S-1
Changes in Net Position	116	S-2
Fund Balances, Governmental Funds	118	S-3
Changes in Fund Balances, Governmental Funds	119	S-4
Assessed Value and Estimated Actual Value of Taxable Property	121	S-5
Principal Property Tax Payers	122	S-6
Property Tax Levies and Collections	123	S-7
Direct and Overlapping Property Tax Rates	124	S-8
Taxable Sales by Industry Type	125	S-9
Ratios of General Bonded Debt Outstanding	126	S-10
Ratios of Outstanding Debt by Type	127	S-11
Direct and Overlapping Governmental Activities Debt	128	S-12
Demographic and Economic Statistics	129	S-13
Principal Employers	130	S-14
Full-Time Equivalent Town Government Employees by Function/Program	131	S-15
Operating Indicators by Function/Program	132	S-16
Capital Asset Statistics by Function/Program	133	S-17



May 17, 2022

Honorable Mayor, Council Members, and Citizens of the Town of Westlake,

The Town of Westlake (the "Town") Fiscal and Budgetary Policies require that the Town's Finance Department prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Annual Comprehensive Financial Report for the Town of Westlake, Texas for the fiscal year ended September 30, 2021, is hereby issued.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making representations, the Town established a comprehensive internal control framework that was designed both to protect the Town's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than an absolute, assurance that the financial statements will be free from material misstatements. As management, we assert that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

The Town's financial statements have been audited by Weaver and Tidwell, L.L.P. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2021, were free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2021, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Town of Westlake's MD&A can be found immediately following the independent auditor's report. The Statistical Section includes financial and demographic information relevant to readers of the Town's financial statements and is generally presented on a multi-year basis.

## Profile of the Town

Westlake is certainly distinctive by design. As a result of this intentional design, our community is an oasis of natural beauty that maintains open spaces in balance with one-of-a-kind developments, trails, and quality of life amenities amidst an ever-expanding urban landscape.

Nestled in the Dallas-Fort Worth (DFW) Metroplex, Westlake is designated as both a Platinum Level Scenic City and a Tree City USA.

Extraordinary residential developments and architecturally vibrant corporate campuses find harmony among our meandering roads and trails, lined with native oaks and stone walls. Westlake is a leader in education, known for our innovative partnerships between the Town-operated Charter school and our corporate neighbors.

We strive to maintain strong aesthetic standards and preserve the natural beauty in our community where hospitality finds its home. Westlake is family-friendly, welcoming, fully involved and invested in our rich heritage, with a vibrant present and sustainable future.

Ideally located minutes from downtown Fort Worth, its Alliance Airport and the Dallas/Fort Worth International Airport, the Town of Westlake is home to several prestigious residential communities, Fortune 500 companies, and corporate headquarters, all of which possess a unique character and charm. There is a common ideal shared by our corporate and individual residents of support for the existing character and charm of the Westlake community as well as a commitment to excellence in new development.

The Town geographically lies in both northeast Tarrant County and southern Denton County and may be conveniently accessed by several major thoroughfares, including SH 114, SH 170 and US 377. Westlake occupies approximately seven (7) square miles and serves a population of approximately 1,840. In 2021, the average size of new home construction was 8,949 square feet, with an average estimated construction cost of \$1.8 million.

Westlake, incorporated in 1956, is considered a Type A general-law municipality. The Town operates under the Council-Manager form of government. The Council is comprised of a mayor and five (5) council members and is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager. The Town Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the Town and appointing and supervising heads of various departments. The Mayor and Town Council members serve two (2) year terms. All elected officials are elected at-large for a two-year staggered term each May.

The financial reporting entity (the government) includes all funds of the primary government (i.e. the Town of Westlake), as well as all its component units. Component units are legally separate entities for which the primary government is financially accountable. The following entities are considered blended component units:

**Lone Star Public Facilities Corporation** is a Texas nonprofit corporation that acts on behalf of the Town to further the public purposes under the Public Facilities Corporation Act, as it's duly constituted authority and instrumentality. The board of directors, appointed by the Town's governing body, is comprised of seven members, of whom five must be members of the Town's governing body.

**4B Economic Development Corporation** is a Texas nonprofit industrial corporation under the Development Corporation Act of 1979 formed to promote economic development within the Town and the State of Texas to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the Town by developing, implementing, financing, and providing one or more projects defined and permitted under Section 4B of the Act. The board of directors is composed of seven (7) persons appointed by the members of the Town Council. Four of the members of the board of directors are members of the Town Council.

**Westlake Academy (Academy)** is an open-enrollment charter school, as provided by Subchapter D, Chapter 12, of the Texas Education Code. The Town of Westlake ("Charter Holder") applied for and became the first municipality in Texas to ever receive this special charter designation. The Academy had 856 students in FY 20-21 and serves Kindergarten thru 12<sup>th</sup> grade. The Academy graduated their first class in FY 09-10. The Board consists of six (6) trustees, appointed by the Town's governing body. Currently, all members of the Academy Board are members of the Town's governing body. The Academy's year-end is August 31.

Discretely presented component units are legally separate entities and not part of the primary government's operations. These component units are as follows: Texas Student Housing Corporation-Denton Project, Texas Student Housing Corporation-College Station Project, and Texas Student Housing Authority.

## **Services Provided**

Westlake's value proposition is found in the excellent municipal and academic services that are provided to our residents – all at an exceptional price! Our community has high expectations for service delivery – both in accessibility, responsiveness, financial stewardship, amenities, distinctive developments, open spaces and education.

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.

## **Economic Conditions and Outlook**

### **Coronavirus (COVID-19)**

The coronavirus pandemic continued to cast a shadow over the Town of Westlake's economic outlook and our country's economic outlook as a whole in 2021. The United States' economic downturn remains unprecedented as local, state and federal leaders continue to work through the impacts caused by the necessary actions designed to suppress COVID-19 transmission. The Town has remained steadfast in their established conservative approach during this time and seeks cost-saving adjustments wherever prudent.

### **Local Challenges Involving Residential Growth**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the Town operates.

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. Over the previous fiscal year, the Town's continued work and focus on important initiatives and projects allows us to balance our "distinctive development, trails, and quality of life amenities amidst an ever-expanding urban landscape."

The current and potential development within our community provides both an exciting and challenging time in Westlake! Adhering to the Town's Vision remains the key to Westlake's success in managing the significant growth. While growth has steadily continued, it continues to present very clear opportunities for our community if we wish to maintain the elements of Westlake that make it so distinctive. These community attributes include our beautiful neighborhoods with high quality residences, strong aesthetic standards, an exemplary Town owned IB World K-12 charter school, open space preservation, future public art projects, streetscaping, emphasis on proactive planning, and maintaining our view corridors. The impending change that surrounds Westlake involves not only our current internal development but also the growth opportunities planned and now underway for the State Highway corridors (SH 114 and SH 170) in northeast Tarrant County and into southern Denton County. Our neighboring communities have also experienced significant growth and are nearing a fully developed condition that will only add pressure from developers as they look to a relatively undeveloped Westlake.

- **Westlake's Permanent Population Growth:** This is the portion of our population considered to be our permanent residents. From the 1990 population of 185 to the 2021 population of 1,840, our Town saw an increase of 176 additional residents in the past year. We will monitor and plan for the anticipated increase in these numbers considering our Comprehensive Plan's forecast of approximately 7.21% annual population growth between now and 2040. This would bring us to around 7,000 residents.
- **Traffic Demands Due to Growth in Westlake and Surrounding Areas:** The four (4) municipalities surrounding Westlake (Keller, Southlake, Trophy Club, and Roanoke) are projected to have a combined population of 215,000 people by 2040. The growth in these communities will generate additional traffic that commutes through our Town. And with the projected level of residents (7,000) and existing zoning entitlements (if executed), we would expect an estimated 300,000 vehicle trips per day. Local impacts associated with this level of growth affect our street infrastructure, water and sewer system capital investment requirements, as well as demand for daily municipal services. Policies, and the provided estimates above, established in our Comprehensive Plan will be essential for addressing this issue via the Town's thoroughfare plan as it pertains to development in the community.
- **Housing Start Increases and Maintaining Westlake's High-Quality Residential Housing:** We continue to see strong single-family residential construction demand, with the majority of the growth in the Granada (now nearing completion), Quail Hollow, Vaquero, Entrada, and The Knolls of Solana.

The Entrada mixed-use development continues to progress, albeit slowly, with both residential and commercial projects under construction. Entrada's infrastructure is financed with a Town approved Public Improvement District (PID), the bonds for which are paid back by assessments on development within Entrada. When the infrastructure is complete, it will add (over time) a wide variety of 322 residential units to Westlake - including single-family homes, villas, condominiums, and townhomes.

Our residential construction activity remains steady with an increase in building permits for housing, even through the effects of Covid-19. Housing starts in Westlake, due to our homes' high value, add taxable value to our taxing base; however, this also impacts the demand for municipal services, especially the Town's K-12 public charter school, Westlake Academy.

As the area economy continues to push through the economic downturn of a pandemic, and Westlake and our surrounding communities continue to experience commercial development, this will further attract individuals who work for and own these businesses. As our housing stock expands in response to these forces, we will need to manage our developments to ensure we maintain our distinctive community as an 'oasis of natural beauty' and achieve high-end housing options as identified in the Housing element of our Comprehensive Plan. Below is a quick glance at the status of Westlake's residential developments as of March 2022:

Development	Constructed Lots/Units	Vacant
Entrada	27 units	295 units
Granada	67 lots	17 lots
Knolls at Solana	4 lots	52 lots
Quail Hollow	17 lots	76 lots
Vaquero	270 lots	27 lots
Westlake Ranch/Aspen Estates	0 lots	36 lots
Others	213	32 lots
<b>TOTAL:</b>	<b>598 units</b>	<b>535 units</b>

\*Projected home completions in 2022: 30 units

### **Local Challenges Involving Commercial Growth**

- **Commercial Development, Economic Development, and Daytime Population Growth:** Because Westlake is the home to major corporate office campuses, its Monday-Friday daytime population continues to grow and is conservatively estimated to grow to an approximate 20,075 individuals, post-COVID. These office complexes are comprised of notable corporate clients that include Deloitte LLP, Fidelity Investments, and Charles Schwab among other Fortune 500 companies.
  - **Commercial Development in Entrada:** The mixed-use development of Entrada, located at FM1938/Davis Boulevard and SH114, slowly continues to create growth in our commercial tax base. During the past budget year additional commercial buildings have been approved by the Town for the development. Several medical services and personal care offices opened for business, joining CVS Pharmacy, Primrose Private Preschool, and Starbucks. Significant progress was made this year on the water front restaurants, parking garage, and chapel on the northeast side of the development as well. Other approved residential and commercial uses include various retail, a reception hall, and hotels. Entrada's anticipated activity in 2022 includes:

- Construction of a 90,080 square foot Residential Repository which includes customized luxury storage units, flex offices, and a rooftop restaurant.  
Construction timeline: 2 years
- Construction of a five-story condominium building with up to 100 residential units.  
Construction timeline: 2 years
- Opening of three new restaurants totaling 15,000 square feet.
- Opening of a new parking garage totaling 424 parking spaces.
- **Economic Development:** The Town has pursued the ideas advanced in the Economic Development element of the Comprehensive Plan. That is, where appropriate, to pursue businesses that ultimately expand the Town's tax base with high quality office buildings, and at the same time, compliment our financial services industry hub which has already been created through our corporate residents of Fidelity, Deloitte, and Charles Schwab. Further, we pursue the types of businesses interested in high quality office campus development and creating well-paying employees' positions. The completion of Charles Schwab and its merger with TD Ameritrade's complex in Southlake firmly establishes us as a leading financial services corridor within the DFW Metroplex. Additionally, the Town has recently entered into a new economic development agreement with Deloitte, LLP for expansion of their international learning and innovation center in 2022.
- **Balanced Growth to Impact Cost of Municipal Services:** Likewise, the ability to fund municipal services utilizing a cost-effective revenue format requires balanced growth that provides for commercial development and a diversified tax base, while maintaining the community's open space and pastoral atmosphere. At the same time, we must continue to ensure the policy direction of the Town is focused on growth paying for the infrastructure for which it creates the demand.

Staff will continue to monitor our corporate stakeholders and attempt to identify avenues to strengthen these relationships and assist in attracting new corporations to Westlake. The expansion of commercial development will continue to grow Westlake's daytime population.

### **Local Challenges – Other**

There are other local challenges involving both financial and physical site planning, strategic forecasting, residential feedback through our survey instruments and the Town's public charter school, Westlake Academy. As we look to regional or state issues and opportunities, we will monitor these issues among others:

- **Water Usage and Demand** – As water demand continues to be a high priority for our entire region, the Town has worked diligently over the last few years to secure the necessary infrastructure and resources for our future needs with the recent addition of a new 30 inch water line and a N-1 sewer line. Efforts continue this year to begin and complete the addition of a fifth water pump at our Westlake Pump Station. All of these recent improvements are estimated to meet the projected development needs at final build-out of the Town, along with our neighboring communities in northeast Tarrant County.

- **Westlake's Residential Growth Impact on the Academy:** Planning for Academy growth in the face of residential development remains a consistent focus and challenge for us. Wherever possible, the Town enters into an economic development agreement with residential developers to provide funding for Westlake Academy facilities and lessen the impact of their residential development on the school's enrollment. Not only did we receive additional funding this year from a new development, but Town staff is nearing completion of the school's program needs and enrollment trends analysis. We hope to complete the Westlake Academy Facility Master Plan this year and obtain the best balance of student population and facility needs for its near future.
- **Pursuit of Infrastructure and Services Reinvestment While Combating Certain Cost Increases:** With our continued growth comes the need to allocate capital spending as we continue to reinvest in our infrastructure, including water and sewer utilities and trail and roadway improvements. This year our current budget included \$3.4 million for these capital improvement costs.

As our community and those surrounding us continue to develop, Staff will strengthen our partnerships and/or opportunities to help in the improvement of mobility within the community without compromising the design standards and expectations of our residents. East/West traffic continues to be an area of concern along with our surrounding highway capacity for transient vehicles. Town staff continues the work with TxDOT, and our counties, as the construction of the new SH 114 service road between FM 1938 and Dove Road in Southlake, and the SH 170 main lanes from SH 114 west to I-35, have now begun. These improvements are expected to be complete within the next 12-24 months.

Users of this transmittal letter, 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 2021-2022 Budget. The budget details the Town's long-term goals and financial policies and describes program accomplishments and initiatives.

## Other Information

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westlake for its annual comprehensive financial report for the fiscal year ended September 30, 2020. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report will meet the Certificate of Achievement Program's requirements and we plan to submit it to GFOA to determine its eligibility for another certificate.

In addition, we also received our thirteenth GFOA Distinguished Budget Presentation Award for the fiscal year beginning October 1, 2020 for our municipal budget. To qualify for the Distinguished Budget Presentation Award, the Town budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Westlake Academy has also received recognition from the Association of School Business Officials International as a recipient of the International Award for Budget Excellence for the past ten years.

## Acknowledgements

The preparation of this report could not be accomplished without the dedicated services of the entire Finance Department staff. Appreciation is expressed to all Town employees, especially those employees who were instrumental in the successful completion of this report.

Town Staff would sincerely like to thank the Mayor and Council for their conservative leadership and steadfast support through their transparent governance of the Town's financial operations in a responsible and progressive manner.

Respectfully Submitted,



Amanda DeGan  
Town Manager/Superintendent



Ginger R. Awtry  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Westlake  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

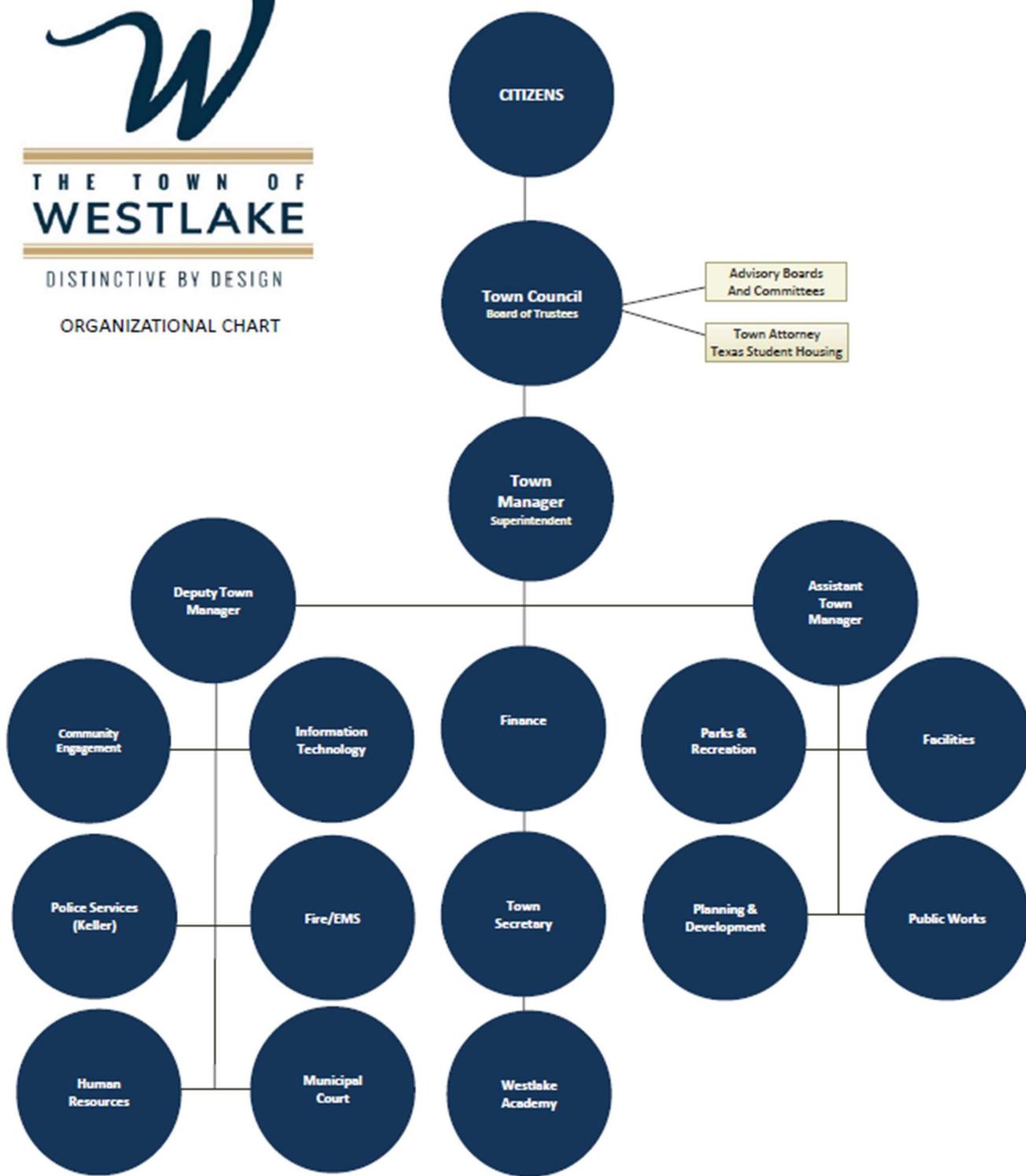
*Christopher P. Monell*

Executive Director/CEO



DISTINCTIVE BY DESIGN

ORGANIZATIONAL CHART



## ELECTED COUNCIL MEMBERS

**Laura Wheat**  
Mayor  
[lwheat@westlake-tx.org](mailto:lwheat@westlake-tx.org)



**Carol Langdon**  
Mayor Pro-Tem  
[clangdon@westlake-tx.org](mailto:clangdon@westlake-tx.org)

**Chandrika Dasgupta**  
Council Member  
[cdasgupta@westlake-tx.org](mailto:cdasgupta@westlake-tx.org)



**Alesa Belvedere**  
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**Ana White**  
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**Rajiv Trivedi**  
Council Member  
[rtrivedi@westlake-tx.org](mailto:rtrivedi@westlake-tx.org)



## BOARDS & COMMISSIONS

Planning & Zoning Commission

Westlake Academy Foundation

4B Economic Development Board

Westlake Public Arts Society

Westlake Historical Preservation Society

Texas Student Housing Authority



## **Financial Section**



## Independent Auditor's Report

To the Honorable Mayor  
and Members of Town Council  
Town of Westlake, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Westlake (the Town) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Texas Student Housing Authority, Texas Student Housing Corporation – College Station Project, and Texas Student Housing Corporation – Denton Project, the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for Texas Student Housing Authority, Texas Student Housing Corporation – College Station Project, and Texas Student Housing Corporation – Denton Project, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Texas Student Housing Authority, Texas Student Housing Corporation – College Station Project, and Texas Student Housing Corporation – Denton Project were not audited in accordance with *Government Auditing Standards*.

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

The Honorable Mayor  
and Members of Town Council  
Town of Westlake, Texas

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

#### *Regarding Going Concern*

The accompanying financial statements have been prepared assuming the discretely presented component units will continue as going concerns. As discussed in Note 17 to the financial statements, the discretely presented component units are in default on their bonds due to failure to meet certain bond covenants. This gives bond holders the right to accelerate and demand payment on the bonds in full. This condition raises substantial doubt about the discretely presented component units' ability to continue as going concerns. Management's plans regarding these matters are also described in Note 17. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

#### *Implementation of Government Accounting Standards Board (GASB) Statement No. 84*

As discussed in Note 19 to the basic financial statements, during the year ended September 30, 2021, the Town implemented GASB Statement No. 84, *Fiduciary Activities*. Beginning net position in the fiduciary funds and governmental activities and beginning fund balance in the governmental funds have been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 19 and budgetary comparison information and pension and OPEB schedules on pages 90 through 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor  
and Members of Town Council  
Town of Westlake, Texas

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 17, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
May 17, 2022



THE TOWN OF  
**WESTLAKE**

DISTINCTIVE BY DESIGN

## **Management's Discussion and Analysis**



THE TOWN OF  
**WESTLAKE**

DISTINCTIVE BY DESIGN

## **Management's Discussion and Analysis**

Management of the Town of Westlake offers the readers of the Town's financial statements this narrative overview and analysis of the financial activities and financial position of the Town for the fiscal year ended September 30, 2021. Financial reporting is limited in its ability to provide the "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and/or expenditures higher or lower than the previous year? Has the net position (containing both short- term and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal and the statistical section, as well as information in the annual operating budget, along with other community information found on the Town's website at [www.westlake-tx.org](http://www.westlake-tx.org). It should be noted that the Independent Auditor's Report describes the auditors' association with the various sections of this report and that all the additional information from the website and other Town sources are unaudited.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$64,264,956 (Net position). This number must be viewed within the context that the vast majority of the Town's net position of \$52,795,677 (82.2%) is its investment in 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. The net position restricted for specific purposes totaled \$2,734,375 (4.3%). The remaining amount, \$8,734,904 (13.5%), represents unrestricted net position.
- As of the close of the current fiscal year, the Town of Westlake's governmental funds reported combined ending fund balances of \$28,951,609, which is an increase of \$5,430,794 in comparison with the prior year. Within this total, \$11,097,599 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 \$18,212,917 an increase of \$1,622,407 in comparison with the prior year. Of this total fund balance, \$17,854,010 is unassigned. This represents 189.5% of the total general fund expenditures and is equivalent to 682 operating days.
- The Town's capital assets (net of accumulated depreciation) decreased by \$1,538,031. This is due in large part to depreciation expense exceeding current year capital asset additions.
- The Town's long-term debt increased by \$1,175,352 in total, primarily due to the issuance of bonds during the fiscal year.

### **Overview of the Financial Statements**

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

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

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

## Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The government-wide financial statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting.

The *statement of net position* presents information on all the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in the Town's net position serves as a useful indicator of whether the financial position of the Town is improving or weakening.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All the revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Town that are principally supported by sales taxes, property taxes, and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, culture and recreation, economic development, public works, visitor services and education. The business-type activities of the Town include water/sewer and cemetery.

The government-wide financial statements include not only the Town (known as the *primary government*), but also discretely presented component units including all the Texas Student Housing entities. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. In addition, the Town has the following blended component units: Lone Star Public Facilities Corporation, 4B Economic Development Corporation, and Westlake Academy, an open enrollment charter school owned and operated by the Town of Westlake. See pages 43 - 44 of the "Financial Section" for detail on these entities.

## 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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Below are the three types of funds.

**Governmental funds** – *Governmental funds* are used to account for essentially the same functions reported as *government 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 financial requirements.

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

The Town maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Westlake Academy, Debt Service, and Capital Projects, all of which are presented as major funds. Data from the other funds (Visitors Association, Economic Development, Lone Star Public Facilities Corporation, Public Arts, 4B Economic Development Corporation, Solana PID Capital Projects, and Westlake Academy Expansion Capital Projects funds) are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for all funds, except the Capital Projects, Solana PID Capital Projects, Public Arts, and Westlake Academy Expansion funds which are project-length based budgets. A budgetary comparison statement has been provided for all appropriate funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26 - 32 of this report.

**Proprietary funds** - There are two types of proprietary funds, Enterprise Funds and Internal Service Funds. Enterprise Funds are the only proprietary funds currently maintained by the Town. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer activities and its cemetery activities. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The Town's intent is that the costs of providing the services to the general public on a continuing basis is financed through user based charges in a manner similar to a private enterprise. The Town has no Internal Service Funds (fund to report activities that provide supplies and services for the Town's other programs and activities, i.e. self-insurance and fleet management).

The basic proprietary fund financial statements can be found on pages 33 - 35 on this report.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds. The Town of Westlake maintains one fiduciary fund, the PID Custodial Fund.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 – 88 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents schedules that further support the information in the financial statements.

The schedules are presented immediately following the notes to the financial statements and can be found on pages 91 – 111.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$64,264,956 at the close of the most recent fiscal year.

The Town's combined net position changed from a year ago, increasing \$3,177,527, exclusive of the \$56,123 cumulative effect of the change in accounting principle. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

The largest portion of the Town's net position, \$52,795,677 (82.2%), 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. 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.

An additional portion of the Town's net position, \$2,734,375 (4.3%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,734,904 (13.5%) represents unrestricted net position which is available for the Town's ongoing expenses.

**Table 1**  
**Condensed Statement of Net Position**  
**At September 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 31,017,151	\$ 24,790,376	\$ 9,135,320	\$ 7,072,350	\$ 40,152,471	\$ 31,862,726
Capital assets	75,676,563	76,747,384	9,792,880	10,260,090	85,469,443	87,007,474
<b>Total Assets</b>	<b>106,693,714</b>	<b>101,537,760</b>	<b>18,928,200</b>	<b>17,332,440</b>	<b>125,621,914</b>	<b>118,870,200</b>
Deferred outflows of resources	3,610,886	2,670,680	67,445	78,178	3,678,331	2,748,858
<b>Liabilities</b>						
Noncurrent liabilities	40,637,633	38,422,095	7,717,104	7,833,053	48,354,737	46,255,148
Other liabilities	2,190,804	1,392,491	11,998,996	11,150,698	14,189,800	12,543,189
<b>Total Liabilities</b>	<b>42,828,437</b>	<b>39,814,586</b>	<b>19,716,100</b>	<b>18,983,751</b>	<b>62,544,537</b>	<b>58,798,337</b>
Deferred inflows of resources	2,461,543	1,757,053	29,209	32,362	2,490,752	1,789,415
<b>Net Position (deficit)</b>						
Net investments in capital assets	48,565,384	46,633,638	4,230,293	4,672,681	52,795,677	51,306,319
Restricted	2,684,375	3,653,143	50,000	50,000	2,734,375	3,703,143
Unrestricted	13,764,861	12,350,020	(5,029,957)	(6,328,176)	8,734,904	6,021,844
<b>Total Net Position (deficit)</b>	<b>\$ 65,014,620</b>	<b>\$ 62,636,801</b>	<b>\$ (749,664)</b>	<b>\$ (1,605,495)</b>	<b>\$ 64,264,956</b>	<b>\$ 61,031,306</b>

**Table 2**  
**Changes in Net Position**  
**For the Years Ended September 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 3,305,279	\$ 2,645,897	\$ 6,242,299	\$ 6,478,333	\$ 9,547,578	\$ 9,124,230
Operating grant and contributions	10,240,349	9,725,263	-	-	10,240,349	9,725,263
Capital grants and contributions	1,537,500	280,000	-	-	1,537,500	280,000
General revenues						
Taxes						
Sales taxes	6,372,366	7,378,900	-	-	6,372,366	7,378,900
Property taxes	2,708,091	2,411,279	-	-	2,708,091	2,411,279
Hotel occupancy taxes	222,937	369,145	-	-	222,937	369,145
Mixed beverage taxes	23,269	41,949	-	-	23,269	41,949
Franchise taxes	735,263	972,520	-	-	735,263	972,520
Interest on investments	38,381	260,003	11,439	62,177	49,820	322,180
Miscellaneous	91,890	72,688	-	-	91,890	72,688
<b>Total revenues</b>	<b>25,275,325</b>	<b>24,157,644</b>	<b>6,253,738</b>	<b>6,540,510</b>	<b>\$ 31,529,063</b>	<b>\$ 30,698,154</b>
<b>Expenses</b>						
General governmental	6,101,168	6,555,048	-	-	6,101,168	6,555,048
Public safety	4,011,699	3,991,114	-	-	4,011,699	3,991,114
Culture and recreation	182,503	282,512	-	-	182,503	282,512
Economic development	-	150,037	-	-	-	150,037
Public works	1,297,821	1,326,090	-	-	1,297,821	1,326,090
Visitor services	451,392	802,244	-	-	451,392	802,244
Education	9,972,935	9,979,674	-	-	9,972,935	9,979,674
Interest on long-term debt	1,141,125	1,103,925	-	-	1,141,125	1,103,925
Water and sewer	-	-	5,184,455	6,407,650	5,184,455	6,407,650
Cemetery	-	-	8,438	21,734	8,438	21,734
<b>Total expenses</b>	<b>23,158,643</b>	<b>24,190,644</b>	<b>5,192,893</b>	<b>6,429,384</b>	<b>28,351,536</b>	<b>30,620,028</b>
Increase (decrease) in net position before transfers	2,116,682	(33,000)	1,060,845	111,126	3,177,527	78,126
<b>Transfers</b>	<b>205,014</b>	<b>77,158</b>	<b>(205,014)</b>	<b>(77,158)</b>	<b>-</b>	<b>-</b>
Change in net position	2,321,696	44,158	855,831	33,968	3,177,527	78,126
Net position (deficit), beginning	62,636,801	62,592,643	(1,605,495)	(1,639,463)	61,031,306	60,953,180
Cumulative effect of the change in accounting principle	56,123	-	-	-	56,123	-
<b>Net position (deficit), ending</b>	<b>\$ 65,014,620</b>	<b>\$ 62,636,801</b>	<b>\$ (749,664)</b>	<b>\$ (1,605,495)</b>	<b>\$ 64,264,956</b>	<b>\$ 61,031,306</b>

**Governmental activities:** Governmental activities increased the Town's net position by \$2,321,696 (3.8%). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, other legal requirements, and/or Council or management's decision, increased by \$1,414,841 primarily due to an increase in charges for services from building permits and fees and capital grants and contributions.

Total revenues for governmental activities increased by \$1,117,681 when compared to the prior year. General revenue decreased by \$1,314,287, while program revenues increased by \$2,431,968.

#### *Program revenues*

- Charges for services increased \$659,382 which was primarily due to an increase in permit and review fees for development which have recovered after COVID-19 with an increase in economic activities within the Town.
- Capital Grants and Contributions increased by \$1,257,500 with the major portion being attributed to a \$1.25 million donation received in the fiscal year for the expansion of Westlake Academy.

#### *General revenues*

- Sales tax decreased by \$1,006,534 as a result of decreased taxable sales due, in part, to the COVID-19 pandemic.
- Property taxes increased by \$296,812 due to increases in both the tax rate and taxable valuation.

#### *Expenses*

- Total expenses for governmental activities decreased by \$1,032,001 or approximately 4.3%.
- Decreases in expenses occurred in culture and recreation (\$100,009), economic development (\$150,037), and visitor services (\$350,852). These declines occurred primarily as a result of decreased operations from COVID-19.
- The remaining reduction in expenses was primarily due to decreased activities in general government function of \$453,880. These decreases include a reduction in allocations to Westlake Academy, reductions in allocations of depreciation expense, and overall decreases in operating costs from the prior year.

**Business-type Activities:** The net position of the business-type activities was a deficit balance of \$749,664 as of September 30 2021, which was an increase of \$855,831. The business-type activities increased primarily due to operating expenses decreasing by over \$1.2 million, mainly attributed to reduced spending for an intergovernmental non-capital infrastructure project with the City of Fort Worth.

## Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$28,951,609; an increase of \$5,430,794 in comparison with the prior year. Approximately 61.7% of this total (\$17,854,010) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because of constraints.

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, 2021, and the amount and percentage of increases and decreases in relation to the prior year.

**Table 3**  
**Summary of Governmental Funds Revenues**

Revenues	2020-21 Amount	Percent of Total	Increase (Decrease) From 2019-20	Percent Increase (Decrease)
<b>Taxes</b>				
Sales taxes	\$ 6,372,366	25.3%	\$ (1,006,534)	(13.6)%
Property taxes	2,711,849	10.8%	299,985	12.4 %
Mixed beverage taxes	23,269	0.1%	(18,680)	(44.5)%
Hotel occupancy taxes	222,937	0.9%	(146,208)	(39.6)%
Franchise taxes	735,263	2.9%	(237,257)	(24.4)%
<b>Subtotal - Taxes</b>	<b>10,065,684</b>	<b>39.9%</b>	<b>(1,108,694)</b>	<b>(9.9)%</b>
<b>State program</b>	<b>8,457,552</b>	<b>33.5%</b>	<b>446,491</b>	<b>5.6 %</b>
<b>Federal program</b>	<b>121,678</b>	<b>0.5%</b>	<b>(16,232)</b>	<b>(11.8)%</b>
<b>Interest income</b>	<b>38,381</b>	<b>0.2%</b>	<b>(221,622)</b>	<b>(85.2)%</b>
<b>Building permits and fees</b>	<b>2,612,098</b>	<b>10.4%</b>	<b>615,264</b>	<b>30.8 %</b>
<b>Fines and penalties</b>	<b>582,854</b>	<b>2.3%</b>	<b>90,419</b>	<b>18.4 %</b>
<b>Intergovernmental</b>	<b>25,000</b>	<b>0.1%</b>	<b>250</b>	<b>0.0 %</b>
<b>Contributions</b>	<b>1,800,000</b>	<b>7.1%</b>	<b>1,507,140</b>	<b>514.6 %</b>
<b>Miscellaneous</b>	<b>1,512,867</b>	<b>6.1%</b>	<b>(300,127)</b>	<b>(16.6)%</b>
<b>Total Revenues</b>	<b>\$ 25,216,114</b>	<b>100.0%</b>	<b>\$ 1,012,889</b>	<b>4.2 %</b>

**Table 4**  
**Summary of Governmental Funds Expenditures**

Expenditures	2020-21 Amount	Percent Of Total	Increase (Decrease) From 2019-20	Percent Increase (Decrease)
General government	\$ 5,052,010	21.4%	\$ (116,766)	(2.3)%
Public safety	3,546,694	15.0%	34,238	1.0 %
Culture and recreation	182,253	0.8%	(82,164)	(31.1)%
Economic development	-	0.0%	(150,037)	(100.0)%
Public works	601,562	2.6%	(20,839)	(3.3)%
Visitor services	448,414	1.9%	(333,469)	(42.6)%
Education	9,557,739	40.5%	(287,946)	(2.9)%
Capital outlay	1,129,642	4.8%	(551,276)	(32.8)%
Debt services	3,065,817	12.9%	124,326	4.2 %
<b>Total Expenditures</b>	<b>\$ 23,584,131</b>	<b>100.0%</b>	<b>\$ (1,383,933)</b>	<b>(5.5)%</b>

Below are summaries and explanations of the changes in fund balances from fiscal year 2020 to fiscal year 2021 of the Governmental Funds that are contained in the above totals.

General Fund - At the end of the current fiscal year, fund balance for the general fund (which for financial reporting purposes also includes the major maintenance fund and vehicle maintenance/replacement fund) was \$18,212,917, an increase of \$1,622,407 in comparison with the prior year. Of this total, \$17,854,010 is unassigned. This represents 189.5% of the total general fund expenditures including transfers out to other funds related to operations of \$357,169. This is equivalent to 682 operating days.

- Overall revenues in the General Fund increased \$96,100 from FY20 to FY21; the primary reason for the increase was building permits and fees which increased \$615,264 from the previous year due to increased development since the beginning of the COVID pandemic. The Town also had increases in property tax revenues of \$291,495 and contributions of \$287,140. These increases were offset by a reduction in sales tax revenues of \$754,851 experienced in FY21 as a result of decreased taxable sales within the Town because of COVID-19.
- Expenditures remained largely consistent from FY20 to FY21, with only minor variances in functional categories.

Westlake Academy - Fund balance increased by \$236,968 primarily due to a decrease in operating costs including reductions related to cleaning supplies, furniture enhancements additional air filtering systems, and contracted services necessary for the mitigation of the effects of COVID-19 in FY20.

Capital Projects Fund - Fund balance increased by \$4,596,395 primarily due to issuance of \$3,215,000 in certificates of obligation to fund various capital projects including street, drainage, and park improvements. This fund balance also increased as a result of contributions being received including the contribution of \$1.25 million for the expansion of Westlake Academy.

Debt Service Fund – The debt service fund remained consistent only slightly decreasing by \$46,525 with an ending fund balance of \$103,993. The debt service fund had transfers in from the general and non-major funds totaling \$1,950,261 which offset the net of debt service payments and property tax revenues (\$2,069,718).

Non Major Funds – The non major fund balance decreased by \$1,034,574 the result of transfers to the Debt Service Fund and Capital Projects Fund totaling \$2,593,092.

Proprietary Funds. - The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements with greater detail. Total net position of the Proprietary Funds increased by \$855,831. This increase is the combined effect of an increase in the utility fund of \$838,739 primarily due to reduced operating costs; and a \$17,092 increase in the cemetery fund.

## General Fund Budgetary Highlights

The General Fund budget for fiscal year 2021 was amended in total to increase the net change in fund balance from (\$1,811,672) to \$725,300, a total increase of \$2,536,972. The amended budget for revenues was increased by \$1,428,119 (14.9%) based on an anticipated increases in various revenue categories based on economic recovery projections.

The amended budget for expenditures was decreased by \$467,325 (4.5%). This reduction was primarily due to decreases in public safety expenditures related to a reduction in payroll from vacant positions.

The General Fund actual revenues were more than the amended budget by \$205,465 primarily due to sales taxes and building permits and fee revenues exceeding projections. Actual expenditures were less than the amended budget by \$586,509 due mostly to less than anticipated service expenditures.

## Capital Assets and Debt Administration

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2021, totaled \$85,469,443 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The net decrease in the Town's investment in capital assets for the current fiscal year was \$1,538,031 or 1.8% mostly due to depreciation exceeding current year capital asset additions.

**Table 5**  
**Town's Capital Assets**  
**(Net of Accumulated Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 12,446,059	\$ 12,446,059	\$ -	\$ -	\$ 12,446,059	\$ 12,446,059
Capital improvements	27,375,576	27,033,940	8,286,570	8,646,033	35,662,146	35,679,973
Building	33,488,757	34,370,215	-	-	33,488,757	34,370,215
Machinery and equipment	1,500,479	1,442,037	1,177,280	1,285,027	2,677,759	2,727,064
Construction in progress	865,692	1,455,133	329,030	329,030	1,194,722	1,784,163
<b>Total capital assets</b>	<b>\$ 75,676,563</b>	<b>\$ 76,747,384</b>	<b>\$ 9,792,880</b>	<b>\$ 10,260,090</b>	<b>\$ 85,469,443</b>	<b>\$ 87,007,474</b>

Additional information on the Town's capital assets can be found in Note 4 on pages 56 - 58 of this report.

**Long-term liabilities** - At the end of the current fiscal year, the Town had total long-term debt outstanding of \$41,573,789. Of this amount, \$34,652,000 represents bonded indebtedness with premium outstanding of \$1,565,509, \$152,921 of capital leases, \$431,719 of compensated absences, \$91,696 in loans and \$4,679,944 of contractual obligations. During the fiscal year 2020-2021, the Town's total debt payable increased by \$1,175,352. This is the net result of the paying down of debt during the year, the issuance of refunding general obligation bonds and the related savings, and the issuance or certificates of obligation to fund new projects within the Town.

Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc. reconfirmed the Town's rating of AAA/stable. Additional information about the rating agency or the significance of the rating provided may be obtained from Standard & Poor's web site. Additional information on the Town's long-term debt can be found in Note 5 on pages 59 – 65.

**Table 6**  
**Outstanding Debt at Year-End**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 12,690,000	\$ 12,660,000	\$ -	\$ -	\$ 12,690,000	\$ 12,660,000
Certificates of obligation	18,502,550	16,996,900	2,777,450	2,891,100	21,280,000	19,888,000
Tax notes	682,000	901,000	-	-	682,000	901,000
Contractual obligations	-	-	4,679,944	4,679,944	4,679,944	4,679,944
Capital leases	152,921	398,012	-	-	152,921	398,012
Premium on bonds	1,540,316	1,279,473	25,193	26,365	1,565,509	1,305,838
Notes payable	91,696	128,373	-	-	91,696	128,373
Compensated absences	358,959	368,239	72,760	69,031	431,719	437,270
 Total long-term debt	 \$ 34,018,442	 \$ 32,731,997	 \$ 7,555,347	 \$ 7,666,440	 \$ 41,573,789	 \$ 40,398,437

In addition to the liabilities in Table 6, the Town reports liabilities for the Academy's proportionate share of the TRS net pension and OPEB liabilities and the Town's net pension and total OPEB liabilities associated with TMRS.

The Town's net pension liability relative to its participation in Texas Municipal Retirement System (TMRS) decreased from \$1,440,488 as of September 30, 2020 to \$1,370,359 as of September 30, 2021. The Town's net other post-employment benefits (OPEB) liability relative to its participation in Texas Municipal Retirement System (TMRS) increased from \$82,590 as of September 30, 2020 to \$108,591 as of September 30, 2021. The Academy's proportionate share of the Teacher Retirement System (TRS) net pension liability increased from \$1,502,914 as of August 31, 2020 to \$2,987,427 as of August 31, 2021. The Academy's proportionate share of the Teacher Retirement System (TRS) net OPEB liability decreased from \$2,830,719 as of August 31, 2020 to \$2,314,571 as of August 31, 2021.

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

In the FY 2021-2022 adopted budget, the fund balance of the General Fund, which includes the Town's General Fund, General Maintenance & Replacement Fund and General Vehicle Maintenance & Replacement Fund for audit purposes, is anticipated to decrease by \$3.2M. Adopted revenues and transfers in are budgeted to be less than the 2021 actuals by \$903K primarily due to the reallocation of M&O property tax to I&S property tax and a decrease in contributions.

Anticipated expenditures and transfers out are budgeted to be \$4.1M more than the prior year. Transfers in were significantly increased (\$2.4M) this year after pausing during the past two years of COVID-19 and the uncertainty of its effects. These transfers were allocated to the following funds: General Maintenance & Replacement, General Vehicle Maintenance & Replacement, Capital Projects, and the Visitors Association Fund. Additionally, other expenditures were increased (\$1.7M) due to anticipated post-pandemic effects of higher costs for needed supplies, contract & consulting services, repairs, and maintenance.

While COVID-19 continues to present budgetary challenges for businesses and local governments with the uncertainty of its post-pandemic effects, the budget is intended to be adaptable given the unfamiliar long-term fiscal impact of the pandemic and with other service delivery needs that may arise within our community.

This budget adheres to Council directions to stabilize our ad valorem rate, closely monitor expenditures, and restart transfers of revenue to the funds noted above for responsible planning. These directives help ensure we plan for the Town's financial stability and are better prepared to meet the service delivery expectations of our community. Our approach to both revenue estimating and expenditure requests continue to proceed in a steadfast fiscally conservative manner.

### **Contacting the Town's Finance Department**

This financial report is designed to provide our citizens, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ginger R. Awtry, Town of Westlake Director of Finance, at 817-490-5719 or email at [gawtry@westlake-tx.org](mailto:gawtry@westlake-tx.org).



## **Basic Financial Statements**



**Town of Westlake**  
**Statement of Net Position**  
September 30, 2021

**Exhibit A-1**

	Primary Government			Discretely Presented Component Units	
			Total		
	Governmental Activities	Business-type Activities			
<b>ASSETS</b>					
Cash and cash equivalents	\$ 27,962,784	\$ 7,497,247	\$ 35,460,031	\$ 3,594,018	
Receivables (net of allowance)	2,628,919	1,166,770	3,795,689	452,025	
Inventories	-	87,546	87,546	-	
Other assets	195,046	24	195,070	-	
Restricted cash and cash equivalents	230,402	383,733	614,135	1,304,601	
Capital assets:					
Land and construction in progress	13,311,751	329,030	13,640,781	5,099,597	
Buildings and improvements	78,838,734	14,899,416	93,738,150	52,590,312	
Wastewater treatment rights	-	635,199	635,199	-	
Machinery and equipment	6,535,979	3,732,823	10,268,802	-	
Furniture and fixtures	-	-	-	4,726,323	
Less accumulated depreciation	(23,009,901)	(9,803,588)	(32,813,489)	(37,243,058)	
Total capital assets	75,676,563	9,792,880	85,469,443	25,173,174	
Total assets	106,693,714	18,928,200	125,621,914	30,523,818	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - TRS OPEB	416,945	-	416,945	-	
Deferred outflows of resources - TMRS OPEB	29,416	3,613	33,029	-	
Deferred outflows of resources - TRS pension	2,100,145	-	2,100,145	-	
Deferred outflows of resources - TMRS pension	519,668	63,832	583,500	-	
Deferred loss on refunding	544,712	-	544,712	-	
Total deferred outflows of resources	3,610,886	67,445	3,678,331	-	
<b>LIABILITIES</b>					
Accounts payable	1,843,026	439,401	2,282,427	1,720,956	
Customer deposit payable	-	268,315	268,315	-	
Unearned revenue	216,762	279,514	496,276	368,747	
Accrued interest payable	131,016	11,011,766	11,142,782	39,260,713	
Noncurrent liabilities:					
Due within one year					
Long-term debt	1,997,849	4,794,694	6,792,543	48,750,031	
Compensated absences	35,896	7,276	43,172	-	
Due in more than one year					
Long-term debt	31,661,634	2,687,893	34,349,527	-	
Compensated absences	323,063	65,484	388,547	-	
TRS net OPEB liability	2,314,571	-	2,314,571	-	
TMRS total OPEB liability	96,712	11,879	108,591	-	
TRS net pension liability	2,987,427	-	2,987,427	-	
TMRS net pension liability	1,220,481	149,878	1,370,359	-	
Total liabilities	42,828,437	19,716,100	62,544,537	90,100,447	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - TRS OPEB	1,694,859	-	1,694,859	-	
Deferred inflows - TMRS OPEB	3,636	446	4,082	-	
Deferred inflows - TRS pension	396,946	-	396,946	-	
Deferred inflows - TMRS pension	234,172	28,763	262,935	-	
Deferred gain on refunding	131,930	-	131,930	-	
Total deferred inflows of resources	2,461,543	29,209	2,490,752	-	
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	48,565,384	4,230,293	52,795,677	(23,576,857)	
Restricted for:					
Tourism	98,081	-	98,081	-	
Construction	2,331,905	-	2,331,905	-	
Court security and technology	239,576	-	239,576	-	
Future projects	14,813	-	14,813	-	
Improvements	-	50,000	50,000	-	
Unrestricted	13,764,861	(5,029,957)	8,734,904	(35,999,772)	
<b>Total net position (deficit)</b>	\$ 65,014,620	\$ (749,664)	\$ 64,264,956	\$ (59,576,629)	

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

# Town of Westlake

## Statement of Activities

For the Year Ended September 30, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 6,101,168	\$ 218,922	\$ -	\$ -
Public safety	4,011,699	724,198	137,500	-
Cultural and recreation	182,503	-	150,000	-
Public works	1,297,821	2,251,832	-	1,300,000
Economic development	-	-	-	-
Visitor services	451,392	-	-	-
Education	9,972,935	110,327	9,952,849	237,500
Interest on long-term debt	1,141,125	-	-	-
Total governmental activities	23,158,643	3,305,279	10,240,349	1,537,500
Business-type activities:				
Water and sewer	5,184,455	6,217,154	-	-
Cemetery	8,438	25,145	-	-
Total business-type activities	5,192,893	6,242,299	-	-
<b>Total primary government</b>	<b>\$ 28,351,536</b>	<b>\$ 9,547,578</b>	<b>\$ 10,240,349</b>	<b>\$ 1,537,500</b>
<b>Discretely Presented Component Units</b>				
	<b>\$ 11,196,283</b>	<b>\$ 6,188,961</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GENERAL REVENUES AND TRANSFERS</b>				
Taxes:				
Sales taxes				
Property taxes				
Hotel occupancy taxes				
Mixed beverage taxes				
Franchise taxes				
Interest Income				
Miscellaneous				
Transfers				
			Total general revenues and transfers	
			Change in net position	
			NET POSITION, beginning of year	
			Cumulative effect of change in accounting principle	
			<b>NET POSITION, end of year</b>	

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

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Discretely Presented Component Units		
Governmental Activities	Business - Type Activities	Total			
\$ (5,882,246)	\$ -	\$ (5,882,246)	\$ -		
(3,150,001)	-	(3,150,001)		-	
(32,503)	-	(32,503)		-	
2,254,011	-	2,254,011		-	
-	-	-		-	
(451,392)	-	(451,392)		-	
327,741	-	327,741		-	
(1,141,125)	-	(1,141,125)		-	
<u>(8,075,515)</u>	<u>-</u>	<u>(8,075,515)</u>		<u>-</u>	
-	1,032,699	1,032,699		-	
-	16,707	16,707			
-	1,049,406	1,049,406		-	
\$ (8,075,515)	\$ 1,049,406	\$ (7,026,109)	\$ -		
\$ -	\$ -	\$ -	\$ (5,007,322)		
6,372,366	-	6,372,366		-	
2,708,091	-	2,708,091		-	
222,937	-	222,937		-	
23,269	-	23,269		-	
735,263	-	735,263		-	
38,381	11,439	49,820	2,715		
91,890	-	91,890		-	
205,014	(205,014)	-	-		
10,397,211	(193,575)	10,203,636	2,715		
2,321,696	855,831	3,177,527	(5,004,607)		
62,636,801	(1,605,495)	61,031,306	(54,572,022)		
56,123	-	56,123		-	
\$ 65,014,620	\$ (749,664)	\$ 64,264,956	\$ (59,576,629)		

# Town of Westlake

## Balance Sheet

### Governmental Funds

September 30, 2021

	General	Westlake Academy	Debt Service Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,693,936	\$ 1,481,822	\$ 103,993
Receivables :			
Property taxes	4,451	-	1,303
Accounts receivable	1,441,947	813,603	-
Due from other funds	278,846	-	-
Prepaid items	38,889	155,760	-
Restricted cash and cash equivalents	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 19,458,069</b>	<b>\$ 2,451,185</b>	<b>\$ 105,296</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 1,025,796	\$ 396,807	\$ -
Unearned revenue	214,905	-	-
Due to other funds	-	-	-
Total liabilities	<u>1,240,701</u>	<u>396,807</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable resources - property taxes	<u>4,451</u>	<u>-</u>	<u>1,303</u>
Total deferred inflows of resources	<u>4,451</u>	<u>-</u>	<u>1,303</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	38,889	155,760	-
Restricted for:			
Tourism	-	-	-
Capital items	-	-	-
Court security and technology	239,576	-	-
Debt service	-	-	103,993
Future projects	-	-	-
Education	-	1,898,618	-
Committed for:			
Street and tree improvements	80,442	-	-
Unassigned	17,854,010	-	-
Total fund balances	<u>18,212,917</u>	<u>2,054,378</u>	<u>103,993</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 19,458,069</b>	<b>\$ 2,451,185</b>	<b>\$ 105,296</b>

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

<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,253,444	\$ 2,429,589	\$ 27,962,784
-	-	5,754
50,000	317,615	2,623,165
-	-	278,846
-	397	195,046
-	230,402	230,402
<b>\$ 6,303,444</b>	<b>\$ 2,978,003</b>	<b>\$ 31,295,997</b>
\$ 167,922	\$ 252,501	\$ 1,843,026
-	1,857	216,762
-	278,846	278,846
<b>167,922</b>	<b>533,204</b>	<b>2,338,634</b>
-	-	5,754
-	-	5,754
-	397	195,046
-	97,684	97,684
6,135,522	2,331,905	8,467,427
-	-	239,576
-	-	103,993
-	14,813	14,813
-	-	1,898,618
-	-	80,442
-	-	17,854,010
<b>6,135,522</b>	<b>2,444,799</b>	<b>28,951,609</b>
<b>\$ 6,303,444</b>	<b>\$ 2,978,003</b>	<b>\$ 31,295,997</b>

**Town of Westlake****Exhibit A-4**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2021

Total fund balance-governmental funds balance sheet	\$ 28,951,609
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	75,676,563
Deferred losses on refunding are reported as deferred outflows of resources and deferred gains on refunding are reported as deferred inflows in the government-wide statement of net position. This amount is the net effect of deferred losses of \$544,712 and deferred gains of (\$131,930).	412,782
Revenues earned but not available within sixty days of the fiscal year-end are not recognized as revenue in the fund financial statements.	5,754
Deferred outflows of resources related to the Town's TMRS pension liability and OPEB liability increased net position by \$519,668 and \$29,416, respectively; while the Town's TMRS deferred resource inflows related to the pension liability and OPEB liability decreased net position by \$234,172 and \$3,636. This amount is the net effect.	311,276
Deferred outflows of resources related to the Academy's TRS pension liability and OPEB liability increased net position by \$2,100,145 and \$416,945, respectively; while the Academy's TRS deferred resource inflows related to the pension liability and OPEB liability decreased net position by \$396,946 and \$1,694,859, respectively. This amount is the net effect.	425,285
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(131,016)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the fund financial statements.	<u>(40,637,633)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES - statement of net position</b>	<u>\$ 65,014,620</u>

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



## Town of Westlake

### Statement of Revenues, Expenditures and Changes in Fund Balances

#### Governmental Funds

For the Year Ended September 30, 2021

	General	Westlake Academy	Debt Service Fund
<b>REVENUES</b>			
Taxes			
Sales	\$ 4,779,274	\$ -	\$ -
Property	2,017,446	-	694,403
Mixed beverage	23,269	-	-
Hotel occupancy	-	-	-
Franchise	735,263	-	-
State program revenues	-	8,457,552	-
Federal program revenues	-	121,678	-
Interest income	26,664	2,422	-
Building permits and fees	2,612,098	-	-
Fines and penalties	582,854	-	-
Intergovernmental	25,000	-	-
Contributions	300,000	-	-
Miscellaneous	91,890	1,420,977	-
<b>Total revenues</b>	<b>11,193,758</b>	<b>10,002,629</b>	<b>694,403</b>
<b>EXPENDITURES</b>			
Current			
General government	5,052,010	-	-
Public safety	3,546,694	-	-
Cultural and recreation	182,253	-	-
Public works	601,562	-	-
Visitor services	-	-	-
Education	-	9,557,739	-
Capital outlay	-	-	-
Debt service			
Principal retirement	36,677	195,108	1,651,350
Interest and other fiscal charges	-	12,814	1,039,839
Bond issuance costs	-	-	72,932
<b>Total expenditures</b>	<b>9,419,196</b>	<b>9,765,661</b>	<b>2,764,121</b>
Excess (deficiency) of revenues			
Over (Under) Expenditures	1,774,562	236,968	(2,069,718)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	205,014	-	1,950,261
Transfers out	(357,169)	-	-
Refunding bonds issued	-	-	4,430,000
Payment to refunding bond escrow agent	-	-	(4,694,366)
Premium on bonds and certificates issued	-	-	337,298
Cerificates of obligation issued	-	-	-
Net other financing sources (uses)	(152,155)	-	2,023,193
<b>NET CHANGE IN FUND BALANCES</b>			
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<b>1,622,407</b>	<b>236,968</b>	<b>(46,525)</b>
<b>Cumulative effect of change in accounting principle</b>	<b>-</b>	<b>56,123</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 18,212,917</b>	<b>\$ 2,054,378</b>	<b>\$ 103,993</b>

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

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,593,092	\$ 6,372,366
-	-	2,711,849
-	-	23,269
-	222,937	222,937
-	-	735,263
-	-	8,457,552
-	-	121,678
4,392	4,903	38,381
-	-	2,612,098
-	-	582,854
-	-	25,000
1,300,000	200,000	1,800,000
-	-	1,512,867
<b>1,304,392</b>	<b>2,020,932</b>	<b>25,216,114</b>
-	-	5,052,010
-	-	3,546,694
-	-	182,253
-	-	601,562
-	448,414	448,414
-	-	9,557,739
1,115,642	14,000	1,129,642
-	-	1,883,135
-	-	1,052,653
<b>57,097</b>	<b>-</b>	<b>130,029</b>
<b>1,172,739</b>	<b>462,414</b>	<b>23,584,131</b>
<b>131,653</b>	<b>1,558,518</b>	<b>1,631,983</b>
1,000,000	-	3,155,275
-	(2,593,092)	(2,950,261)
-	-	4,430,000
-	-	(4,694,366)
249,742	-	587,040
3,215,000	-	3,215,000
<b>4,464,742</b>	<b>(2,593,092)</b>	<b>3,742,688</b>
<b>4,596,395</b>	<b>(1,034,574)</b>	<b>5,374,671</b>
<b>1,539,127</b>	<b>3,479,373</b>	<b>23,520,815</b>
-	-	56,123
<b>\$ 6,135,522</b>	<b>\$ 2,444,799</b>	<b>\$ 28,951,609</b>

**Town of Westlake**

Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds to the  
 Statement of Activities  
 For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds.	\$	5,374,671
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		1,142,375
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(2,213,196)
The issuance of long-term debt 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. The amortization of bond premiums and deferred gain/loss on refunding of long-term debt is reported in the statement of activities but does not require the use of current financial resources. Therefore, the effect of the amortization of these various items are not reported in the statement of revenues, expenditures, and changes in fund balance.		
This amount represents the net effect of the following items:		
Repayments of long-term debt principal	\$	1,933,118
Proceeds from issuance of long-term debt		(7,645,000)
Premiums on issuance of long-term debt		(587,040)
Amortization of deferred gains and losses on refunding		(87,224)
Amortization of premium on bonds		127,355
Payment to bond refunding escrow agent		4,694,366
		(1,564,425)
Current year changes in accrued interest payable does not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		1,426
Implementation of GASB 68 and 75 requires certain expenditures to be de-expended and recorded as deferred outflows of resources. The changes in deferred outflows from pension and OPEB activity for TMRS decreased net position by \$94,294 and increase net position by \$6,888, respectively. The change in net pension liability increased net position by \$62,429. The change in OPEB liability decreased net position by \$23,157. The change in deferred inflows of resources from pension and OPEB activity for TMRS increased net position by \$24,914 and increased net position by \$753, respectively. This amount is the net effect.		(22,467)
Implementation of GASB 68 and 75 requires certain expenditures to be de-expended and recorded as deferred outflows of resources. The changes in deferred outflows from pension and OPEB activity for TRS increased net position by \$1,144,899 and \$19,483, respectively. The change in net pension liability decreased net position by \$1,484,513. The change in OPEB liability increased net position by \$516,148. The changes in deferred inflows of resources from pension and OPEB activity for TRS decreased net position by \$127,979 and by \$470,248, respectively. This amount is the net effect.		(402,210)
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		9,280
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		(3,758)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES - statement of activities</b>	<b>\$</b>	<b>2,321,696</b>

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

**Town of Westlake**  
 Statement of Net Position  
 Proprietary Funds  
 September 30, 2021

**Exhibit A-7**

	<b>Utility Fund</b>	<b>Cemetery Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 7,311,488	\$ 185,759	\$ 7,497,247
Accounts receivable	1,162,570	4,200	1,166,770
Inventories	-	87,546	87,546
Prepaid expenses	24	-	24
Restricted cash and investments	333,733	50,000	383,733
Total current assets	8,807,815	327,505	9,135,320
Noncurrent assets			
Capital assets			
Construction in progress	329,030	-	329,030
Buildings and improvements	14,899,416	-	14,899,416
Wastewater treatment rights	635,199	-	635,199
Machinery and equipment	3,732,823	-	3,732,823
Less: accumulated depreciation	(9,803,588)	-	(9,803,588)
Total capital assets	9,792,880	-	9,792,880
Total noncurrent assets	9,792,880	-	9,792,880
<b>TOTAL ASSETS</b>	<b>18,600,695</b>	<b>327,505</b>	<b>18,928,200</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - TMRS OPEB	3,613	-	3,613
Deferred outflows - TMRS pension	63,832	-	63,832
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>67,445</b>	<b>-</b>	<b>67,445</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	437,292	2,109	439,401
Customer deposits payable	268,315	-	268,315
Accrued interest payable	11,011,766	-	11,011,766
Unearned revenue	279,514	-	279,514
Compensated absences - current portion	7,276	-	7,276
Current portion of bonds payable	114,750	-	114,750
Contractual obligations	4,679,944	-	4,679,944
Total current liabilities	16,798,857	2,109	16,800,966
Long-term liabilities:			
Bonds payable	2,687,893	-	2,687,893
Compensated absences	65,484	-	65,484
Total OPEB liability	11,879	-	11,879
Net pension liability	149,878	-	149,878
Total long-term liabilities	2,915,134	-	2,915,134
<b>TOTAL LIABILITIES</b>	<b>19,713,991</b>	<b>2,109</b>	<b>19,716,100</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - TMRS OPEB	446	-	446
Deferred inflows - TMRS pension	28,763	-	28,763
Total deferred inflows of resources	29,209	-	29,209
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	4,230,293	-	4,230,293
Restricted for improvements	-	50,000	50,000
Unrestricted	(5,305,353)	275,396	(5,029,957)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (1,075,060)</b>	<b>\$ 325,396</b>	<b>\$ (749,664)</b>

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

**Town of Westlake****Exhibit A-8**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended September 30, 2021

	<b>Utility Fund</b>	<b>Cemetery Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,985,541	\$ 25,145	\$ 6,010,686
Miscellaneous revenue	231,613	-	231,613
Total operating revenues	<u>6,217,154</u>	<u>25,145</u>	<u>6,242,299</u>
<b>OPERATING EXPENSES</b>			
Payroll costs	483,108	-	483,108
Professional and contract services	48,000	3,325	51,325
Depreciation	505,123	-	505,123
Water purchases	1,278,398	-	1,278,398
Cost of cemetery lots sold	-	1,093	1,093
Other operating costs	<u>1,882,696</u>	<u>4,020</u>	<u>1,886,716</u>
Total operating expenses	<u>4,197,325</u>	<u>8,438</u>	<u>4,205,763</u>
Net operating income	<u>2,019,829</u>	<u>16,707</u>	<u>2,036,536</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	11,054	385	11,439
Interest expense	(987,130)	-	(987,130)
Total non-operating revenues (expenses)	<u>(976,076)</u>	<u>385</u>	<u>(975,691)</u>
<b>INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>			
Transfer out	<u>1,043,753</u>	<u>17,092</u>	<u>1,060,845</u>
Change in net position	<u>(205,014)</u>	<u>-</u>	<u>(205,014)</u>
Total net position, beginning of year	<u>838,739</u>	<u>17,092</u>	<u>855,831</u>
<b>Total net position, end of year</b>	<b>\$ (1,913,799)</b>	<b>\$ 308,304</b>	<b>\$ (1,605,495)</b>
	<b>\$ (1,075,060)</b>	<b>\$ 325,396</b>	<b>\$ (749,664)</b>

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

**Town of Westlake**  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended September 30, 2021

**Exhibit A-9**

	<b>Utility Fund</b>	<b>Cemetery Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 6,106,195	\$ 20,945	\$ 6,127,140
Payments to employees	(476,655)	-	(476,655)
Payments to suppliers	(3,173,944)	(7,534)	(3,181,478)
Net cash provided by operating activities	<u>2,455,596</u>	<u>13,411</u>	<u>2,469,007</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer to other funds	(205,014)	-	(205,014)
Net cash used in noncapital financing activities	<u>(205,014)</u>	<u>-</u>	<u>(205,014)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on debt	(113,650)	-	(113,650)
Interest paid on debt	(199,258)	-	(199,258)
Purchase of property and equipment	(37,913)	-	(37,913)
Net cash used in capital and related financing activities	<u>(350,821)</u>	<u>-</u>	<u>(350,821)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	11,054	385	11,439
Net cash provided by investing activities	<u>11,054</u>	<u>385</u>	<u>11,439</u>
Net increase in cash	1,910,815	13,796	1,924,611
Cash and cash equivalents at the beginning of the year	<u>5,734,406</u>	<u>221,963</u>	<u>5,956,369</u>
Cash and cash equivalents at the end of the year	<u>\$ 7,645,221</u>	<u>\$ 235,759</u>	<u>\$ 7,880,980</u>
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents	\$ 7,311,488	\$ 185,759	\$ 7,497,247
Restricted cash and cash equivalents	333,733	50,000	383,733
Total cash and cash equivalents	<u>\$ 7,645,221</u>	<u>\$ 235,759</u>	<u>\$ 7,880,980</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income	\$ 2,019,829	\$ 16,707	\$ 2,036,536
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	505,123	-	505,123
Pension expense	819	-	819
OPEB expense	1,905	-	1,905
Changes in operating assets and liabilities:			
Receivables	(135,228)	(4,200)	(139,428)
Prepaid items	(24)	-	(24)
Inventory	-	1,093	1,093
Compensated absences	3,729	-	3,729
Accounts payable	42,142	(189)	41,953
Customer deposits payable	26,835	-	26,835
Unearned revenue	(9,534)	-	(9,534)
<b>Net cash provided by operating activities</b>	<u>\$ 2,455,596</u>	<u>\$ 13,411</u>	<u>\$ 2,469,007</u>

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

**Town of Westlake**

Statement of Fiduciary Net Position  
Custodial Fund  
September 30, 2021

	<b>PID Custodial Fund</b>
<b>ASSETS</b>	
Restricted cash and cash equivalents	<u>\$ 4,622,482</u>
Total assets	<u>\$ 4,622,482</u>
<b>LIABILITIES</b>	
	<u>\$ -</u>
<b>NET POSITION</b>	
Restricted for Debt service	<u>4,622,482</u>
Total net position	<u><u>\$ 4,622,482</u></u>

**Town of Westlake**

Statement of Changes in Fiduciary Net Position  
 Custodial Fund  
 For the Year Ended September 30, 2021

	<b>PID Custodial Fund</b>
<b>ADDITIONS</b>	
Special assessment collections	\$ 2,587,885
Investment income	516
	<hr/>
Total additions	2,588,401
<b>DEDUCTIONS</b>	
Payments to special assessment bond holders	1,953,625
Administrative costs	60,967
	<hr/>
Total deductions	2,014,592
Change in net position	573,809
Net position - beginning of year	-
Cumulative effect of adoption of GASB 84	<hr/> 4,048,673
Net position - beginning of year, as restated	<hr/> 4,048,673
Net position - ending	<hr/> \$ 4,622,482



**Town of Westlake**
**Exhibit A-12**

Discretely Presented Component Units  
 Combining Statement of Net Position  
 September 30, 2021

	Texas Student Housing Corporation Denton Project	Texas Student Housing Corporation College Station Project	Texas Student Housing Authority	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 288,902	\$ 711,817	\$ 2,593,299	\$ 3,594,018
Accounts receivable (net of allowance)	82,262	25,425	344,338	452,025
Restricted assets:				
Cash and cash equivalents	1,019,587	285,014	-	1,304,601
Capital assets:				
Land	2,200,000	2,899,597	-	5,099,597
Buildings and improvements	25,705,000	26,885,312	-	52,590,312
Machinery and equipment	1,289,185	3,437,138	-	4,726,323
Less: accumulated depreciation	(18,769,482)	(18,473,576)	-	(37,243,058)
Total assets	<u>11,815,454</u>	<u>15,770,727</u>	<u>2,937,637</u>	<u>30,523,818</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	296,586	1,420,639	3,731	1,720,956
Unearned revenue	122,060	246,687	-	368,747
Accrued interest payable	9,988,610	29,272,103	-	39,260,713
Bonds payable	20,545,031	28,205,000	-	48,750,031
Total liabilities	<u>30,952,287</u>	<u>59,144,429</u>	<u>3,731</u>	<u>90,100,447</u>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	(10,120,328)	(13,456,529)	-	(23,576,857)
Unrestricted	(9,016,505)	(29,917,173)	2,933,906	(35,999,772)
<b>Total net position (deficit)</b>	<b><u>\$ (19,136,833)</u></b>	<b><u>\$ (43,373,702)</u></b>	<b><u>\$ 2,933,906</u></b>	<b><u>\$ (59,576,629)</u></b>

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

## **Town of Westlake**

Discretely Presented Component Units  
 Combining Statement of Activities  
 For the Fiscal Year Ended September 30, 2021

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Business-type activities:				
Texas Student Housing Authority	\$ 717,383	\$ 244,117	\$ -	\$ -
Texas Student Housing Corporation				
College Station Project	4,899,268	1,666,804	-	-
Denton Project	5,579,632	4,278,040	-	-
Total business-type activities	<u>11,196,283</u>	<u>6,188,961</u>	<u>-</u>	<u>-</u>
<b>Total component units</b>	<b>\$ 11,196,283</b>	<b>\$ 6,188,961</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GENERAL REVENUES</b>				
		Interest income		
		Total general revenues		
			Change in net position	
			NET POSITION (DEFICIT), beginning of year	
			<b>NET POSITION (DEFICIT), end of year</b>	

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

**Net (Expense) Revenues and Changes in Net Position**

<b>Texas Student</b>				
<b>Texas Student</b>	<b>Housing</b>	<b>Texas Student</b>		
<b>Housing</b>	<b>Corporation</b>	<b>Housing</b>		
<b>Corporation</b>	<b>College Station</b>	<b>Authority</b>		
<b>Denton Project</b>	<b>Project</b>		<b>Total</b>	
\$ -	\$ -	\$ (473,266)	\$ (473,266)	
-	(3,232,464)	-	(3,232,464)	
(1,301,592)	-	-	(1,301,592)	
(1,301,592)	(3,232,464)	(473,266)	(5,007,322)	
<b>\$ (1,301,592)</b>	<b>\$ (3,232,464)</b>	<b>\$ (473,266)</b>	<b>\$ (5,007,322)</b>	
82	56	2,577	2,715	
82	56	2,577	2,715	
(1,301,510)	(3,232,408)	(470,689)	(5,004,607)	
(17,835,323)	(40,141,294)	3,404,595	(54,572,022)	
<b>\$ (19,136,833)</b>	<b>\$ (43,373,702)</b>	<b>\$ 2,933,906</b>	<b>\$ (59,576,629)</b>	



## **Town of Westlake**

Notes to the Financial Statements

### **Note 1. Summary of Significant Accounting Policies**

The Town of Westlake, Texas (the Town) was incorporated under the provisions of the laws of the State of Texas on December 26, 1956. The Town operates under a Council - Manager form of government and provides the following services as authorized by the laws of the State of Texas: public safety; cultural and recreation; and economic development.

The accounting and reporting policies of the Town conform to accounting principles generally accepted in the United States of America for local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies:

#### **Financial Reporting Entity**

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations and are appropriately presented as funds of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the Town.

Based on these criteria, the financial information of the following entities have been blended or discretely presented within the financial statements: Lone Star Public Facilities Corporation, 4B Economic Development Corporation, Westlake Academy, Texas Student Housing Authority, Texas Student Housing Corporation – College Station Project and Texas Student Housing Corporation – Denton Project.

*The Texas Student Housing Authority, Texas Student Housing Corporation – College Station Project, and Texas Student Housing Corporation – Denton Project (collectively, Texas Student Housing Entities) are Texas nonprofit organizations as a duly constituted authority of the Town pursuant to Section 53.35(b) of the Texas Education Code, as amended (Act). Texas Student Housing Entities' primary purpose is to construct, own, and operate student housing facilities on college campuses in Texas. The board consists of seven directors which are appointed by the Town's governing body and has the ability to remove at will the appointed members; thus, the governing body can impose its will on the organizations. However, the board is not substantively the same as the Town's governing body; therefore, the Texas Student Housing Entities are reported as discretely presented component units (enterprise funds). The Town is not responsible for the long-term debt of the Texas Student Housing Entities. The Texas Student Housing Entities' year-end is August 31.*

#### **Component Units**

##### **Discretely Presented**

Separately issued financial reports are available for all the Texas Student Housing Entities. These reports may be obtained by contacting the following office.

Texas Student Housing Authority  
P.O. Box 93419  
Southlake, Texas 76092

## **Town of Westlake**

### Notes to the Financial Statements

#### Blended

*Lone Star Public Facilities Corporation* is a Texas nonprofit corporation that acts on behalf of the Town to further the public purposes under the Public Facilities Corporation Act, as it's duly constituted authority and instrumentality. The board of directors, appointed by the Town's governing body, is comprised of seven members, of whom five must be members of the Town's governing body. Since the board of directors is substantively the same as the Town's governing body, and a financial benefit relationship exists, the entity has been reported as a blended component unit of the Town.

*4B Economic Development Corporation* is a Texas nonprofit industrial corporation under the Development Corporation Act of 1979 formed to promote economic development within the Town and the State of Texas in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the Town by developing, implementing, financing, and providing one or more projects defined and permitted under Section 4B of the Act. The board of directors is composed of seven persons appointed by the members of the Town's governing board. Four of the members of the board of directors are members of the Town's governing board. Since the board of directors is substantively the same as the Town's governing body, and a financial benefit relationship exists, the entity has been reported as a blended component unit of the Town.

*Westlake Academy (Academy)* is an open-enrollment charter school, as provided by Subchapter D, Chapter 12, of the Texas Education Code. The Town of Westlake (Charter Holder) applied for and became the first municipality in Texas to ever receive this special charter designation. The board consists of six trustees and is appointed by the Town's governing body. Currently, all the members of the board of trustees are members of the Town's governing body. Since the board of directors is substantively the same as the Town's governing body, and a financial benefit relationship exists, the entity has been reported as a blended component unit of the Town. The Academy's year-end is August 31.

#### **Basis of Presentation**

##### 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 of the non-fiduciary activities of the Town. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

## **Town of Westlake**

### Notes to the 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, licenses, and interest 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. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Governmental Funds** are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon income determination.

The Town reports the following major governmental funds:

General Fund – to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose, provided it is expended or transferred in accordance with the legally adopted budget of the Town. The General Fund includes the Town's Major Maintenance and Replacement Fund, Vehicle Replacement Fund, and PID (local) Fund.

Westlake Academy Fund – to account for all local, state and federal revenue and related educational expenditures of the Academy.

Debt Service Fund – to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund – to account for proceeds from long-term financing and revenue and expenditures related to authorized construction and other capital asset acquisitions other than those related to the expansion of Westlake Academy facilities.

## **Town of Westlake**

### Notes to the Financial Statements

In addition, the Town reports the following nonmajor governmental funds:

Visitors Association Fund – to account for municipal hotel occupancy taxes collected and expenditures to promote tourism and the convention and hotel industry.

Lone Star Public Facilities Corporation Fund – to account for investment activity relating to the Lone Star Public Facilities Corporation.

Economic Development Fund – to account for sales tax and hotel occupancy tax collected to fund activity relating to Economic Development agreements.

Public Arts Fund – to account for contributions restricted for public art.

4B Economic Development Corporation Fund – to account for sales tax collected to fund the activities of the 4B Economic Development Corporation.

Solana Public Improvement District (PID) Capital Projects Fund – to account for the acquisition or construction of capital facilities and improvements relating to the Solana public improvement district.

Westlake Academy Expansion Capital Projects Fund – to account for proceeds from long-term financing and revenue and expenditures for authorized construction related to the expansion of Westlake Academy facilities.

The Town adopts an annual appropriated budget for all governmental funds except capital projects, Solana PID capital projects, Public Arts, and Westlake Academy Expansion capital projects fund, which are project-length based budgets. A budgetary comparison schedule has been provided for all appropriate funds to demonstrate compliance with the budget.

**Proprietary Funds** distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The Town reports the following major proprietary funds:

Utility Fund – to account for revenues and expenses related to providing water and sewer services to the general public on a continuing basis.

Cemetery Fund – to account for the operations of the Town's cemetery.

The Town reports the following fiduciary fund:

Solana PID Custodial Fund – to account for bond proceeds, assessments, and related debt associated with bonds issued by the Town as an agent for the Solana public improvement district.

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

## **Town of Westlake**

### Notes to the Financial Statements

Amounts reported as program revenues include: 1) charges to customer 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 revenue. Likewise, general revenue includes all taxes.

### **Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity**

#### Cash and Cash Equivalents

Cash and investments of all funds, including restricted cash, are available upon demand and are considered to be "cash equivalents."

For purposes of the statement of cash flows, the Town considers highly-liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the Town to invest 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 the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; (5) certificates of deposit by state or national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (b) secured by obligations that are described by (1) - (4); or (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1) pledged with third-party selected or (2) approved by the Town, and placed through a primary government securities dealer. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

#### Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of 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."

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The Town's property taxes are levied on October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Assessed values are established at 100% of estimated market value. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year.

All property tax receivables are shown net of an allowance for uncollectibles. The net property tax receivable allowance is equal to management's estimate of uncollectible outstanding property taxes at September 30, 2021.

## **Town of Westlake**

### Notes to the Financial Statements

#### Restricted Assets

Certain bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

#### Inventories and Prepaid Items

Inventories, which are expended as they are consumed, are stated at the lower of cost or market on a first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements.

#### Fund Changes and Transactions between Funds

Legally authorized transfers are treated as transfers in and out and are included as other financing sources (uses) of both governmental and proprietary funds.

The Town allocates an indirect cost percentage of the salaries, wages and related costs of personnel who perform administrative services as well as other indirect costs necessary for the operation of various funds. Expenses are budgeted and paid from the appropriate fund.

#### Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The cost of nominal maintenance and repairs that do not add value to the asset or materially extend assets' lives are not capitalized. Donated assets are valued at their acquisition value on the date donated. Assets capitalized have an original cost of \$5,000 or more and three years or more of life. All infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), regardless of the acquisition date or amount, have been included. Estimated historical cost for initial reporting of infrastructure assets (those reported by governmental activities) was valued by estimating the current replacement cost of the infrastructure and using an index to deflate the cost to the estimated acquisition/construction year. As the Town constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Assets	Years
Water and sewer system	10-50
Buildings	20-50
Machinery and equipment	3-30
Improvements	5-30
Information systems and software	3

#### Compensated Absences

The Town's policy provides vacation and sick leave to be accrued at the start of employment. Employees earn 10 days of vacation and 10 days of sick leave between one year and five years of service. After completion of 5 years of service, 15 days of vacation and 15 days of sick leave per year are earned. After completion of 10 years of service, 20 days of vacation and 20 days of sick leave per year are earned. Unused vacation hours are paid upon termination or retirement at the employee's normal hourly rate.

## **Town of Westlake**

### Notes to the Financial Statements

#### Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, even if withheld from the actual proceeds, are reported as expenditures in the year of issuance.

#### Fund Equity and Net Position

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 Town 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.

**Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the Town council, the Town's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Town 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:** This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. In the General Fund, assigned amounts represent intended uses established by the Town Council or the Town Finance Director who has been delegated that authority.

**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.

In the government-wide financial statements, net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## **Town of Westlake**

### Notes to the Financial Statements

The government-wide and fund level financial statements report restricted fund balances for amounts not available for appropriation or legally restricted for specific uses. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

#### Pensions and Other Post-Employment Benefits (OPEB)

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

For TMRS, information regarding the Town's Total Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the Town 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*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

For TRS, information regarding the Town's Total Pension Liability and Total OPEB Liability is obtained from TRS which is a cost-sharing multi-employer defined benefit plan. Reports prepared are in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

#### Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources on the Statement of Net Position and Governmental Fund Balance Sheet. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Town has the following items that qualify for reporting in these categories:

**Deferred Outflow/Inflow from Gain or Loss on Refunding** – these deferred outflows reported at the net position result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Deferred Outflow/Inflows from Pensions/OPEB** – these deferred outflows/inflows reported on the Statement of Net Position result from pension/OPEB contributions after the measurement date (deferred and recognized as a reduction of the related liability in the following fiscal year), differences in projected and actual earnings on pension/OPEB investments (deferred and amortized over a closed five-year period), and differences between expected and actual experience and/or changes in assumptions (deferred and amortized over the remaining average service life of participants.)

## **Town of Westlake**

### Notes to the Financial Statements

**Deferred Outflow/Inflows from Contributions** – these deferred outflows/inflows result from contributions made or received before time requirement is met. The deferred outflows/inflows from contributions are eliminated at the Statement of Activities and Net Position.

**Deferred Inflows from Unavailable Resources** – these deferred inflows result from property tax receivables not being collected within 60 days of year-end. The deferred inflows from unavailable resources are recorded as revenues on the Governmental-wide Statement of Activities.

### **Estimates**

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

### **Note 2. Cash and Investments**

Legal provisions generally permit the Town to invest in certificates of deposit, repurchase agreements, public funds investment pools, direct obligations of the United States of America or its subdivisions and state and local government securities.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Town to adopt, implement, and publicize its investment policy.

That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar - weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes and the Town's investment policy authorized the Town to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Government securities	5 Years	100%	None
State of Texas	5 Years	25%	None
States, agencies, counties, cities and other	5 Years	25%	None
Repurchase agreements	90 Days	100%	None
Certificates of deposits	5 Years	25%	None
Commercial paper	270 Days	25%	None
No-load money market mutual funds	90 Days	25%	None
Eligible investment pools	90 Days	100%	None

The Town did not engage in repurchase or reverse repurchase agreement transactions during the current year.

## **Town of Westlake**

### Notes to the Financial Statements

At year end, the carrying amount of the Town's deposits was \$36,043,559 and the bank balance was \$36,278,880. The bank balance was completely covered by federal deposit insurance and collateral held by the pledging financial institution in the Town's name.

At year end, the carrying amount of the component units' deposits was \$4,898,619 and the bank balance was \$5,111,990. The bank balance was completely covered by federal deposit insurance and collateral held by the pledging financial institution in the component units' names. The carrying amount consists of \$3,594,018 in cash and cash equivalents and \$1,304,601 in restricted cash and cash equivalents.

At September 30, 2021, the Town's cash and cash equivalents consist of and are classified in the accompanying financial statements are follows:

Primary government:	
Cash and cash equivalents	\$ 35,460,031
Restricted cash and cash equivalents	<u>614,135</u>
Total primary government	36,074,166
Fiduciary funds:	
Restricted cash and cash equivalents	<u>4,622,482</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 40,696,648</u></b>
Deposits with financial institutions	\$ 36,043,559
Investments	<u>4,653,089</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 40,696,648</u></b>

### **Disclosures Relating to Interest Rate Risk**

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In order to limit interest and market rate risk from changes in interest rates, the Town's investment policy sets a maximum stated maturity limit of two years for obligations of the United States Government, its agencies and instrumentalities (excluding mortgage backed securities) and one year for fully insured or collateralized certificates of deposit. No more than 80% of the Town's monthly average balance may be invested in money market funds. Additionally, the Town invests in an investment pool that purchases a combination of shorter term investments with an average maturity of 37 days thus reducing the interest rate risk. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's Investments.

As of September 30, 2021, the Town's investments were as follows:

Investment Type	Carrying Amount	Fair Value	Weighted Average Maturity (days)
TexPool	\$ 205	\$ 205	37 days
Money market	<u>4,652,884</u>	<u>4,652,884</u>	30 days
<b>Total</b>	<b><u>\$ 4,653,089</u></b>	<b><u>\$ 4,653,089</u></b>	

## **Town of Westlake**

### Notes to the Financial Statements

#### **Disclosures Relating to Credit Risk**

This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Primary government	Carrying Amount	Fair Value	Minimum Legal Rating	Rating as of Year-end
Investments:				
TexPool	\$ 205	\$ 205	N/A	AAA-m
Money market	4,652,884	4,652,884	N/A	N/A
<b>Total</b>	<b>\$ 4,653,089</b>	<b>\$ 4,653,089</b>		

#### **Disclosures Relating to Concentration of Credit Risk**

The Town's investment policy is to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of investments.

#### **Disclosures Relating to Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

The Town requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the Town's depository in the Town's name and held by the depository's agent.

As of September 30, 2021, the Town's entire cash deposits with financial institutions in excess of federal depository insurance were fully collateralized.

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

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

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

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

## Town of Westlake

### Notes to the Financial Statements

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The Town has recurring fair value measurements as presented in the table below. The Town's investment balances and weighted average maturity of such investments are as follows:

	Value at September 30, 2021	Fair Value Measurements Using						Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments			
Investments not Subject to Fair Value:								
Investment Pools:								
TexPool	\$ 205	\$ -	\$ -	\$ -	0.00%	37		
Money market	4,652,884	-	-	-	100.00%	30		
<b>Total Value</b>	<b>\$ 4,653,089</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>				

### Investment in State Investment Pools

On September 1, 1989, local government investment pools became authorized investments for the majority of public entities in Texas. The Interlocal Cooperation Act was amended by the 71<sup>st</sup> Texas Legislature to facilitate the creation of local government investment pools in Texas. This act permits the creation of investment pools to which a majority of political subdivisions (local governments) may delegate, by contract, the authority to make investments purchased with local investment funds and to hold legal title as custodian of the investments. TexPool was organized to conform with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

During the year ended September 30, 2021, the Town had investments with TexPool. TexPool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, which is empowered to invest funds and acts as custodian of investments purchased with local investment funds. These investments are not required to be categorized because the investor is not issued securities, but rather it owns an undivided beneficial interest in the assets of the respective funds. The fair value of the position in TexPool is the same as the value of the pool shares.

### Restricted Cash

#### Governmental Activities

Within the governmental activities, \$230,402 of restricted cash held in trust restricted in use for the acquisition or construction of capital facilities and improvements related to the Solana Public Improvement District.

## Town of Westlake

### Notes to the Financial Statements

#### Proprietary Fund

Within the proprietary funds, \$230,065 of restricted cash represents customer deposits received for water and sewer usage that are refundable upon termination of service; \$103,668 represents remaining Texas Water Development Board bond proceeds to be spent on the Fort Worth waterline; and \$50,000 of restricted cash represents a contribution restricted for cemetery improvements.

#### Discretely Presented Component Units

Within the discretely presented component units, the \$1,304,601 in restricted cash and cash equivalents represents funds held for debt service.

### Note 3. Receivables

Governmental activities receivable balance consists of the following as of September 30, 2021:

	Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Westlake Academy	Debt Service Fund	Capital Projects			
<b>Receivables:</b>							
Sales tax	\$ 836,540	\$ -	\$ -	\$ -	\$ 278,915	\$ 1,115,455	
Property tax	5,935	-	1,737	-	-	-	7,672
Other taxes	1,762	-	-	-	38,700	40,462	
Franchise tax	157,883	-	-	-	-	-	157,883
Other	502,939	813,603	-	50,000	-	-	1,366,542
<b>Gross receivables</b>	<b>1,505,059</b>	<b>813,603</b>	<b>1,737</b>	<b>50,000</b>	<b>317,615</b>	<b>317,615</b>	<b>2,688,014</b>
Less: allowance for uncollectibles	(58,661)	-	(434)	-	-	-	(59,095)
<b>Net total receivables</b>	<b>\$ 1,446,398</b>	<b>\$ 813,603</b>	<b>\$ 1,303</b>	<b>\$ 50,000</b>	<b>\$ 317,615</b>	<b>\$ 317,615</b>	<b>\$ 2,628,919</b>

Business-type receivables balance consists of the following as of September 30, 2021:

	Business-Type Activities		
	Utility Fund	Cemetery Fund	Total
<b>Receivables:</b>			
Accounts	\$ 1,161,722	\$ 4,200	\$ 1,165,922
Other	848	-	848
<b>Gross receivables</b>	<b>1,162,570</b>	<b>4,200</b>	<b>1,166,770</b>
Less: allowance for uncollectibles	-	-	-
<b>Net total receivables</b>	<b>\$ 1,162,570</b>	<b>\$ 4,200</b>	<b>\$ 1,166,770</b>

**Town of Westlake**  
Notes to the Financial Statements

**Note 4. Capital Assets**

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

**Primary Government**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 12,446,059	\$ -	\$ -	\$ -	\$ 12,446,059
Construction in progress	1,455,133	1,005,196	-	(1,594,637)	865,692
Total assets not being depreciated	13,901,192	1,005,196	-	(1,594,637)	13,311,751
Capital assets, being depreciated:					
Capital improvements	34,294,176	26,302	-	1,228,549	35,549,027
Buildings	43,289,707	-	-	-	43,289,707
Machinery and equipment	5,210,768	101,819	(49,084)	-	5,263,503
Information systems and software	897,330	9,058	-	366,088	1,272,476
Total capital assets being depreciated	83,691,981	137,179	(49,084)	1,594,637	85,374,713
Less accumulated depreciation:					
Capital improvements	(7,260,236)	(913,215)	-	-	(8,173,451)
Buildings	(8,919,492)	(881,458)	-	-	(9,800,950)
Machinery and equipments	(4,166,694)	(219,878)	49,084	-	(4,337,488)
Information systems and software	(499,367)	(198,645)	-	-	(698,012)
Total accumulated depreciation	(20,845,789)	(2,213,196)	49,084	-	(23,009,901)
Total capital assets being depreciated	62,846,192	(2,076,017)	-	1,594,637	62,364,812
<b>Governmental activities</b>					
<b>capital assets, net</b>	<b>\$ 76,747,384</b>	<b>\$ (1,070,821)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,676,563</b>

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 329,030	\$ -	\$ -	\$ -	\$ 329,030
Total assets not being depreciated	329,030	-	-	-	329,030
Capital assets, being depreciated:					
Capital improvements	14,899,416	-	-	-	14,899,416
Wastewater treatment rights	635,199	-	-	-	635,199
Machinery and equipment	3,710,614	37,913	(15,704)	-	3,732,823
Total capital assets being depreciated	19,245,229	37,913	(15,704)	-	19,267,438
Less accumulated depreciation:					
Capital improvements	(6,253,383)	(359,463)	-	-	(6,612,846)
Wastewater treatment rights	(635,199)	-	-	-	(635,199)
Machinery and equipment	(2,425,587)	(145,660)	15,704	-	(2,555,543)
Total accumulated depreciation	(9,314,169)	(505,123)	15,704	-	(9,803,588)
Total capital assets being depreciated	9,931,060	(467,210)	-	-	9,463,850
<b>Business-type activities</b>					
<b>capital assets, net</b>	<b>\$ 10,260,090</b>	<b>\$ (467,210)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,792,880</b>

## Town of Westlake

### Notes to the Financial Statements

Depreciation was charged to departments of the primary government as follows:

Governmental activities:			
General government		\$ 937,890	
Public safety		477,636	
Public works		<u>797,670</u>	
Total depreciation expense - governmental activities		<u>\$ 2,213,196</u>	
Business-type activities:			
<b>Water and sewer</b>		<u>\$ 505,123</u>	

A summary of discretely presented component units' capital assets at August 31, 2021 follows:

### Texas Student Housing Corporation – Denton Project

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000
Total assets not being depreciated	2,200,000	-	-	2,200,000
Capital assets, being depreciated:				
Buildings	25,705,000	-	-	25,705,000
Furniture and fixtures	1,253,841	35,344	-	1,289,185
Total capital assets being depreciated	26,958,841	35,344	-	26,994,185
Less accumulated depreciation:				
Buildings	(16,636,845)	(856,833)	-	(17,493,678)
Furniture and fixtures	(1,232,010)	(43,794)	-	(1,275,804)
Total accumulated depreciation	(17,868,855)	(900,627)	-	(18,769,482)
Total capital assets being depreciated	9,089,986	(865,283)	-	8,224,703
<b>Capital assets, net</b>	<u>\$ 11,289,986</u>	<u>\$ (865,283)</u>	<u>\$ -</u>	<u>\$ 10,424,703</u>

## Town of Westlake

Notes to the Financial Statements

### Texas Student Housing Corporation – College Station Project

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,899,597	\$ -	\$ -	\$ 2,899,597
Total assets not being depreciated	2,899,597	-	-	2,899,597
Capital assets, being depreciated:				
Buildings	26,885,312	-	-	26,885,312
Furniture and fixtures	3,437,138	-	-	3,437,138
Total capital assets being depreciated	30,322,450	-	-	30,322,450
Less accumulated depreciation:				
Buildings	(14,230,237)	(896,177)	-	(15,126,414)
Furniture and fixtures	(3,317,870)	(29,292)	-	(3,347,162)
Total accumulated depreciation	(17,548,107)	(925,469)	-	(18,473,576)
Total capital assets being depreciated	12,774,343	(925,469)	-	11,848,874
<b>Capital assets, net</b>	<b>\$ 15,673,940</b>	<b>\$ (925,469)</b>	<b>\$ -</b>	<b>\$ 14,748,471</b>

## Town of Westlake

### Notes to the Financial Statements

#### Note 5. Long-Term Debt

The Town issues general obligation bonds, certificates of obligation and tax notes to provide for the acquisition and construction of major capital facilities and infrastructure. Combination tax and revenue certificates of obligation are issued for both governmental and business-type activities. General obligation bonds, governmental revenue bonds and tax notes pledge the full faith and credit of the Town.

A summary of long-term debt transactions for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
<b>Governmental activities:</b>					
General obligation bonds and other obligations	\$ 30,557,900	\$ 7,645,000	\$ (6,328,350)	\$ 31,874,550	\$ 1,808,250
Unamortized bond premium	1,279,473	587,040	(326,197)	1,540,316	-
Notes payable	128,373	-	(36,677)	91,696	36,678
Capital leases	398,012	-	(245,091)	152,921	152,921
Compensated absences	368,239	177,810	(187,090)	358,959	35,896
Total OPEB liability - TMRS	73,555	23,157	-	96,712	-
Net OPEB liability - TRS	2,830,719	-	(516,148)	2,314,571	-
Net pension liability - TMRS	1,282,910	-	(62,429)	1,220,481	-
Net pension liability - TRS	1,502,914	1,484,513	-	2,987,427	-
<b>Total governmental activities</b>	<b>\$ 38,422,095</b>	<b>\$ 9,917,520</b>	<b>\$ (7,701,982)</b>	<b>\$ 40,637,633</b>	<b>\$ 2,033,745</b>
<b>Business-type activities:</b>					
Certificates of obligation	\$ 2,891,100	\$ -	\$ (113,650)	\$ 2,777,450	\$ 114,750
Contractual obligations	4,679,944	-	-	4,679,944	4,679,944
Unamortized bond premium	26,365	-	(1,172)	25,193	-
Compensated absences	69,031	27,027	(23,298)	72,760	7,276
Total OPEB liability - TMRS	9,035	2,844	-	11,879	-
Net pension liability - TMRS	157,578	-	(7,700)	149,878	-
<b>Total business-type activities</b>	<b>\$ 7,833,053</b>	<b>\$ 29,871</b>	<b>\$ (145,820)</b>	<b>\$ 7,717,104</b>	<b>\$ 4,801,970</b>

The Town's accrued interest for general obligation bonds reported in governmental activities was \$131,016 and certificates of obligation reported in business-type activities for \$10,676. Additional accrued interest for contractual obligations of \$11,001,090 is reported in the business-type activities.

## Town of Westlake

### Notes to the Financial Statements

#### General Obligation Bonds, Tax Notes and Certificates of Obligation

General obligation bonds, tax notes and certificates of obligation are as follows as of September 30, 2021:

General Obligations Bonds, Tax Notes, and Certificates of Obligation	Final Maturity	Interest Rates	Governmental	Business-Type
\$9,320,000 Certificates of Obligation, Series 2013	2043	2.0-4.0%	\$ 6,937,550	\$ 857,450
\$2,200,000 General Obligation Refunding Bonds, Series 2013	2028	2.0-2.5%	1,080,000	-
\$1,910,000 General Obligation Refunding Bonds, Series 2014	2032	2.0-5.0%	1,515,000	-
\$9,180,000 Certificate of Obligation Bonds, Series 2016	2046	2.0-5.0%	8,350,000	-
\$5,795,000 General Obligation Refunding Bonds, Series 2017	2032	2.0-5.0%	5,665,000	-
\$1,530,000 Tax Notes, Series 2017	2024	2.0-5.0%	682,000	-
\$2,100,000 Certificates of Obligation, Series 2018	2028	2.0-2.7%	-	1,920,000
\$3,215,000 Certificates of Obligation, Series 2021	2041	4.00%	3,215,000	-
\$4,430,000 General Obligation Refunding Bonds, Series 2021	2031	2.0-4.0%	<u>4,430,000</u>	-
			\$ 31,874,550	\$ 2,777,450

Debt service requirements of certificates of obligation, tax notes, and general obligations to be retired from governmental funds are as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2022	\$ 1,808,250	\$ 1,046,510	\$ 2,854,760
2023	1,836,700	1,018,674	2,855,374
2024	1,895,600	965,346	2,860,946
2025	1,693,600	909,758	2,603,358
2026	1,746,950	851,678	2,598,628
2027-2031	9,768,600	3,270,480	13,039,080
2032-2036	5,376,050	1,767,201	7,143,251
2037-2041	4,625,000	1,043,668	5,668,668
2042-2046	3,123,800	271,208	3,395,008
<b>Total</b>	<b>\$ 31,874,550</b>	<b>\$ 11,144,523</b>	<b>\$ 43,019,073</b>

## Town of Westlake

### Notes to the Financial Statements

Debt service requirements of certificates of obligation to be retired from proprietary funds as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2022	\$ 114,750	\$ 84,051	\$ 198,801
2023	120,300	81,173	201,473
2024	121,400	78,075	199,475
2025	121,400	74,884	196,284
2026	128,050	71,542	199,592
2027-2031	736,400	298,134	1,034,534
2032-2036	838,950	171,834	1,010,784
2037-2041	495,000	50,664	545,664
2042-2043	101,200	4,092	105,292
<b>Total</b>	<b>\$ 2,777,450</b>	<b>\$ 914,449</b>	<b>\$ 3,691,899</b>

### Notes Payable

In March 2014, the Town received a \$366,774 loan from Bennett Benner Pettit, the proceeds of which were used to fund a portion of the Westlake Academy expansion project. The terms of the note call for ten annual payments at 0% interest.

Year Ending September 30,	Note Payments
2022	36,678
2023	36,678
2024	18,340
<b>Total</b>	<b>\$ 91,696</b>

### Capital Leases

In 2020, the Academy acquired equipment and software with a historical cost of \$585,623 under a capital lease. The following schedule shows the future minimum payments under the lease as of August 31, 2021:

Year Ending August 31,	Principal	Interest	Annual Lease Payments
2022	\$ 152,921	\$ 5,017	\$ 157,938
<b>Total</b>	<b>\$ 152,921</b>	<b>\$ 5,017</b>	<b>\$ 157,938</b>

## **Town of Westlake**

### Notes to the Financial Statements

#### **Contractual Obligations**

Proprietary funds contractual obligations as of September 30, 2021 are as follows:

Contractual Obligations	Maturity	Interest Rate	Business-Type
Limited pledge contractual obligation:			
Dove Road Water Line and West Pump Station	2022	6.75%	\$ <u>4,679,944</u>

Dove Road Water Line and West Pump Station - In April 2000, the Town approved an agreement with the Hillwood Development Corporation (Hillwood). In the agreement, Hillwood agreed to bear all initial costs for the design, engineering and constructions of the Dove Road Water Line and the West Pump Station that will service the residents of the Town. The Town agreed to reimburse Hillwood for the cost of the project upon completion and the Town's acceptance of the project, which occurred in June 2001, solely from a \$.25 charge per 1,000 gallons of usage. The Town further agreed to deposit debt service revenue of \$.25 per 1,000 gallons of usage collected from Town residents to fund its repayment to Hillwood. Debt service revenue will be allocated between Hillwood service area and Town service area by 52% and 48%, respectively and deposited into two separate debt service funds that will result in debt service revenue to pay the respective share of the construction cost. The Town recorded a limited pledge contractual obligation of \$4,679,944 for the project cost based upon the terms of the agreement, which requires 239 monthly principal and interest payments to Hillwood, at an interest rate of 6.75%. If the Town collects insufficient funds to pay current interest on the debt, the interest payment may be deferred. No portion of debt payments will be applied to the principal component, until all current and deferred interest is fully paid. The obligation of the Town to pay the purchase price and interest thereon is not a general obligation of the Town but is a limited recourse obligation payable solely from debt service revenue.

The schedule of future payments by the Town under these agreements is as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
Past Due	\$ -	\$ 10,189,745	\$ 10,189,745
2022	<u>4,679,944</u>	<u>811,345</u>	<u>5,491,289</u>
<b>Total</b>	<b>\$ 4,679,944</b>	<b>\$ 11,001,090</b>	<b>\$ 15,681,034</b>

On August 15, 2021, the Town issued \$3,215,000 of Combination Tax and Revenue Certificates of Obligation, Series 2021. Proceeds from the sale of these bonds will be used for various street and drainage infrastructure projects as well as park and cemetery improvements.

#### **Current Refunding**

On August 15, 2021, the Town issued \$4,430,000 of General Obligation Refunding Bonds, Series 2021. Proceeds from the sale, including \$337,298 in premiums, were deposited with an escrow agent to refund \$1,212,000 of Certificates of Obligation, Series 2011 and \$3,465,000 of General Obligation Refunding Bonds, Series 2011.

## **Town of Westlake**

### Notes to the Financial Statements

The net carrying value of the old debt exceeded the reacquisition price by \$150,777. The amount is reported as a deferred inflow of resources for the Governmental Activities in the Statement of Net Position and will be amortized over the remaining life of the bonds. The bonds were refunded to reduce the Town's total debt service payments over 10 years by \$302,725 and this resulted in an economic gain (difference between the net present values of the debt service payments on the old and new debt) of \$289,901.

### **Compensated Absences**

Although compensated absences are liquidated by the fund to which they relate, the significant portion of the governmental activities compensated absences has typically been liquidated by the general fund.

### **Discretely Presented Component Units – Long-Term Debt**

#### Texas Student Housing Corporation –Denton Project

The long-term debt activity of the Denton Project is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
2001 A Bonds	\$ 18,140,000	\$ -	\$ (500,010)	\$ 17,639,990	\$ 17,639,990
2001 B Bonds	3,240,000	-	-	3,240,000	3,240,000
Discount on bonds	(372,444)	-	37,485	(334,959)	-
<b>Total</b>	<b>\$ 21,007,556</b>	<b>\$ -</b>	<b>\$ (462,525)</b>	<b>\$ 20,545,031</b>	<b>\$ 20,879,990</b>

The Bonds are payable solely from the revenues generated by the Denton Property and are secured by the revenues pledged and assigned under the terms of the Trust Indenture. The Town of Westlake does not have any liability for the payment of the bonds as the bonds are non-recourse to both the Town of Westlake and Texas Student Housing Authority. Interest rates on the bonds range from 5.00% to 11.00% and are payable semi-annually on July 1 and January 1 of each year thereafter.

At August 31, 2021, the Project was not in compliance with certain covenants of the Indenture including insufficient funds in some of the required funds and a fixed charges ratio less than 1.25. In addition, all required principal payments on the Series B bonds had not been made as of August 31, 2021. Upon certain events of default either the trustee, or owners of not less than 25% in aggregate principal of the bonds then outstanding, may declare the principal and all interest then due to be immediately due and payable.

## Town of Westlake

### Notes to the Financial Statements

The debt service requirements of the bonds are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
Past Due	\$ 2,259,990	\$ 11,393,644	\$ 13,653,634
2022	1,330,000	1,343,530	2,673,530
2023	1,430,000	1,248,483	2,678,483
2024	1,535,000	1,145,963	2,680,963
2025	1,645,000	1,035,835	2,680,835
2026	1,765,000	917,550	2,682,550
2027-2031	10,915,000	2,483,760	13,398,760
	<u>\$ 20,879,990</u>	<u>\$ 19,568,765</u>	<u>\$ 40,448,755</u>

### Texas Student Housing Corporation – College Station Project

The Project's installment note payable is summarized as follows:

Lender/Security/Due/Date	Rate	Balance
Cambridge Student Housing Financing Company, L.P.; substantially all assets and assignment of rents: due November 1, 2039	8.00%	<u>\$ 28,205,000</u>

The following is a summary of long-term debt transactions of the Project for the year ended August 31, 2021:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Certificates	<u>\$ 28,205,000</u>	\$ -	\$ -	<u>\$ 28,205,000</u>	<u>\$ 28,205,000</u>

The debt is to be amortized through 2040 with varying payments. The annual requirements to amortize the Project's outstanding installment notes payable as of August 31, 2021 are as follows:

Year Ending August 31,	Principal	Interest	Total
Past Due	\$ 3,215,800	\$ 28,816,343	\$ 32,032,143
2022	895,000	1,464,122	2,359,122
2023	495,000	1,410,935	1,905,935
2024	530,000	1,372,495	1,902,495
2025	570,000	1,331,160	1,901,160
2026	615,000	1,286,580	1,901,580
2027-2031	4,130,000	4,626,153	8,756,153
2032-2036	5,975,000	4,275,367	10,250,367
2037-2040	<u>11,779,200</u>	<u>1,854,218</u>	<u>13,633,418</u>
<b>Total</b>	<b><u>\$ 28,205,000</u></b>	<b><u>\$ 46,437,373</u></b>	<b><u>\$ 74,642,373</u></b>

## **Town of Westlake**

### Notes to the Financial Statements

Class C and D bonds are in default and the property does not generate enough revenue to pay the debt obligations. All of the Class C and D bonds issued remain outstanding as of August 31, 2021.

Each class has certain rights and privileges, as contained in the private placement memorandum. As a part of the offering, the Project entered into a trust agreement with The Bank of New York (the Trustee) for the purpose of determining that each class is paid in accordance with the private placement memorandum.

At August 31, 2021, the Project was not in compliance with the fixed charge coverage ratio. As a result, the lender may accelerate the maturity of the unpaid portion of the principal payable under the installment sale agreement. However, the Authority does not anticipate this event will occur, since foreclosure by private interests would result in the loss of tax-exempt status for the Project.

The Town of Westlake does not have any liability for the payment of debt of the discretely presented component units as the bonds are non-recourse to both the Town and Texas Student Housing Authority.

### **Note 6. Unearned Revenue / Deferred Inflows of Resources**

Unearned revenue in the proprietary fund of \$279,514 relates to the collection of the entire amount due on fifteen Ductbank leases as follows: three leases with AT&T local network services ranging from 5 – 30 years; six leases with Verizon Southwest ranging from 5-30 years; two five-year leases with MCI Metro; three five-year lease with L3 Communications for use of the Town's Ductbank; and one five-year lease with Charter.

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, deferred inflows of resources reported in the governmental funds consist of \$4,451 and \$1,303 of unavailable property taxes in the General Fund and Debt Service Fund, respectively.

Governmental funds also reported unearned revenues these unearned revenues include \$211,733 of State and Local Fiscal Recovery Funds and \$5,029 received from other sources. These funds were received in advance of funds being earned.

## **Town of Westlake**

Notes to the Financial Statements

### **Note 7. Federal and State Program Revenues**

The Town received financial assistance from various federal and state governmental agencies in the form of grants for Westlake Academy. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any unallowed disbursement resulting from such audits becomes a liability of the Town. In the opinion of the Town management, no material refunds will be required as a result of unallowed disbursements (if any) by the grantor agencies. Sources of federal and state program revenues for the year ended September 30, 2021, were as follows:

Source	Westlake Academy
Federal program revenues:	
U.S. Department of Education - Passed through State Department of Education	
<b>Total federal program revenues</b>	<b>\$ 121,678</b>
State program revenues:	
<b>State Department of Education</b>	<b>\$ 8,457,552</b>

### **Note 8. Interfund Balances and Transactions**

Interfund receivables and payables at September 30, 2021, were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 278,846	\$ -
Nonmajor governmental funds:		
4B Economic Development Fund	-	278,846
	<b>\$ 278,846</b>	<b>\$ 278,846</b>

The \$278,846 receivable in the General Fund and payable from the 4B Economic Development Fund is related to the sales tax receivable balance.

Inter-fund transfers are reported in the governmental funds and proprietary fund financial statements. In the government-wide statements, inter-fund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

Individual fund transfers for fiscal year 2021 were as follows:

Transfer out	Transfer in	Amount	Purpose
General Fund	Debt Service Fund	\$ 357,169	Debt service payments
Nonmajor Governmental	Capital projects fund	1,000,000	For Westlake Academy capital projects
Nonmajor Governmental	Debt Service Fund	1,593,092	Debt service payments
Utility Fund	General Fund	205,014	Fort Worth impact revenue
		<b>\$ 3,155,275</b>	

## **Town of Westlake**

Notes to the Financial Statements

### **Note 9. Interlocal Agreement with the City of Southlake**

In August 1995, the Town entered into an agreement with the City of Southlake to allow the Town to utilize capacity in a sewer line and to set forth their respective rights and obligations with respect to the sewer line owned by the City of Southlake. The Town is obligated to share in the cost of construction, operation and maintenance of the sewer line. The sewer line was constructed in 2000. Additionally, the Town must pay the City of Southlake all transportation, treatment and related costs allocable to the metered flow of sewage from the Town into the sewer line. Costs associated with this agreement for the year ended September 30, 2021 were \$964,683.

### **Note 10. Water Purchase Contract**

The Town has a contract with the City of Fort Worth, Texas, to purchase water. Under the contract, the Town may obtain from the City of Fort Worth, a supply of potable water at a reasonable rate based on water usage. The rate charges are subject to minimum annual contract payments. Water expense for the year ended September 30, 2021 was \$1,278,398.

### **Note 11. Town of Westlake and Westlake Academy Pension Plans**

The Town provides for two pension plans; one provides for defined retirement pension benefits to the Town's employees, Texas Municipal Retirement System - TMRS, and the other provides defined retirement pension benefits to teachers at Westlake Academy, Teacher Retirement System of Texas (TRS). Both plans are described in detail below. Aggregate amounts for the two pension plans are as follows:

	<b>TMRS</b>	<b>TRS</b>	<b>Total</b>
Pension Liability	\$ 1,370,359	\$ 2,987,427	\$ 4,357,786
Deferred outflows of resources	583,500	2,100,145	2,683,645
Deferred inflows of resources	262,935	396,946	659,881
Pension Expense	535,572	1,184,539	1,720,111

#### **TMRS Plan Description**

The Town participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas, 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at [www.tmrs.com](http://www.tmrs.com).

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

## **Town of Westlake**

Notes to the Financial Statements

### **TMRS Benefits Provided**

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

### **TMRS Employees Covered By Benefit Terms**

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

Inactive employees of beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	31
Active employees	46
	<hr/>
	93
	<hr/>

### **TMRS Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town was 11.77% in calendar years 2020 and 2021. The Town's contributions to TMRS for the year ended September 30, 2021, were \$524,995, and were equal to the required contributions.

### **TMRS Net Pension Liability**

The Town's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

### **TMRS Actuarial Assumptions**

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

- Inflation 2.5% per year
- Overall payroll growth 3.5% to 11.5%, including inflation
- Investment Rate of Return 6.75%, net of pension plan investment expense, including inflation
- Amortization method: Level percentage of payroll, closed
- Actuarial Cost Method: Entry Age Normal

## **Town of Westlake**

### Notes to the Financial Statements

Salary increases were based on a service-related table. Mortality rates for post-retirement were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with the scale UMP. Mortality rates for pre-retirement were based on PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Actuarial assumptions used in the December 31, 2020, valuation 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 first adopted in 2019 and first used in the December 31, 2019 actuarial valuations.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
<b>Total</b>	<b>100.0%</b>	

## Town of Westlake

### Notes to the Financial Statements

#### TMRS Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

#### TMRS Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at 12/31/2019</b>	\$ 9,514,373	\$ 8,073,885	\$ 1,440,488
Changes for the year:			
Service Cost	683,693	-	683,693
Interest	660,928	-	660,928
Change of benefit terms	-	-	-
Difference between expected and actual experience	(5,405)	-	(5,405)
Changes of assumptions	-	-	-
Contributions - employer	-	500,613	(500,613)
Contributions - employee	-	297,813	(297,813)
Net investment income	-	615,040	(615,040)
Benefit payments, including refunds of employee contributions	(129,398)	(129,398)	-
Administrative expense		(3,966)	3,966
Other changes	-	(155)	155
<b>Net Changes</b>	<b>1,209,818</b>	<b>1,279,947</b>	<b>(70,129)</b>
<b>Balance at 12/31/20</b>	<b>\$ 10,724,191</b>	<b>\$ 9,353,832</b>	<b>\$ 1,370,359</b>

Net Pension Liability as a Percentage of Covered Payroll is 32.21%.

## **Town of Westlake**

### Notes to the Financial Statements

#### **TMRS Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town'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%)
Net pension liability	\$ 3,006,623	\$ 1,370,359	\$ 24,755

#### **TMRS Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

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

For the year ended September 30, 2021, the Town recognized pension expense of \$535,572.

At September 30, 2021, the Town 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
Difference between expected and actual economic experience	\$ 149,801	\$ 32,618
Changes in actuarial assumptions	54,764	-
Difference between projected and actual investment earnings	-	230,317
Contributions subsequent to the measurement date	378,935	-
<b>Total</b>	<b>\$ 583,500</b>	<b>\$ 262,935</b>

\$378,935 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022.

## **Town of Westlake**

### Notes to the Financial Statements

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

Year ended September 30,	Net Deferred Outflows (Inflows)
2022	\$ (16,416)
2023	51,586
2024	(85,123)
2025	(8,417)
<b>Total</b>	<b>\$ (58,370)</b>

### **Defined Benefit Pension Plan – TRS**

#### **TRS Plan Description**

The Academy participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

#### **TRS Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/Pages/about\\_archive\\_cafra.aspx](https://www.trs.texas.gov/Pages/about_archive_cafra.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### **TRS Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with five years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

## **Town of Westlake**

### Notes to the Financial Statements

#### **TRS Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Employee contribution rates are set in state statute, Texas Government Code 825.402. The Texas Pension Reform Bill (Senate Bill 12) of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased both employee and employer contribution rates for plan years 2020 through 2025.

Contribution rates	2020	2021
Member	7.70%	7.70%
Non-employer contributing entity (State)	7.50%	7.50%
Employers (District)	7.50%	7.50%

The contribution amounts for the district's fiscal year 2021 are as follows:

2021 Employer contributions	\$ 222,306
2021 Member contributions	\$ 469,856
2020 Plan year NECE on-behalf contributions (state)	\$ 316,819

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the contribution rate for all other employees.

## **Town of Westlake**

### Notes to the Financial Statements

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- Public education employer contribution – all public schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

### **TRS Actuarial Assumptions**

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal bond rate as of August 2019	2.33%. Source for the rate is the fixed Income Market Data/Yield Curve/Date Municipal Bonds with 20 Years to maturity that include only federally tax-exempt Municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05% includes inflation
Ad hoc post-employment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employing Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Health Pensioner Mortality Tables with full Generational projection using the ultimate Improvement rates from the most recently Published projective scale U-MP.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2017 and adopted in July 2018.

## Town of Westlake

### Notes to the Financial Statements

#### TRS Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan 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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 are summarized below:

Asset Class	2019 PY Target Allocation*	Net Target Allocation**	Long-term Expected Portfolio Real Rate of Return
Global Equity			
U.S.	18%	3.90%	0.99%
Non-U.S. Developed	13%	5.10%	0.92%
Emerging Markets	9%	5.60%	0.83%
Private Equity	14%	6.70%	1.41%
Stable Value			
Government bonds	16%	-0.07%	-0.05%
Absolute Return	0%	1.80%	0.00%
Stable Value Hedge Funds	5%	1.90%	0.11%
Cash			
Real Return			
Real Estate	15%	4.60%	1.02%
Energy, Natural Resources, and inflation	6%	6.00%	0.42%
Commodities	0%	0.80%	0.00%
Risk Parity			
Risk Parity	8%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2%	-1.50%	-0.03%
Asset Allocation Leverage	-6%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
<b>Total</b>	<b>100.0%</b>		<b>7.33%</b>

\* Target Allocation based on the Plan Year 2020 policy model

\*\* Capital Market Assumptions come from AONHewitt (as of 8/31/2020)

\*\*\* Volatility Drag results from the conversion between arithmetic and geometric mean

## **Town of Westlake**

### Notes to the Financial Statements

#### **TRS Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2020 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Academy's proportionate share of the TRS net pension liability	\$ 4,606,558	\$ 2,987,427	\$ 1,671,918

#### **TRS Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At August 31, 2021, the Academy reported a liability of \$2,987,427 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the Academy.

The amount recognized by the Academy as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Academy were as follows:

Academy's proportionate share of the collective net pension liability	\$ 2,987,427
State's proportionate share that is associated with Academy	4,112,478
	<hr/>
	\$ 7,099,905

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2019 rolled forward to August 31, 2020. The Academy's proportion of the net pension liability was based on the Academy's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At August 31, 2020, the employer's proportion of the collective net pension liability was 0.0055779% which was an increase of 0.0026868% from its proportion measured as of August 31, 2019.

#### **TRS Changes since the Prior Actuarial Valuation**

There were no changes in assumptions or benefits terms that affected measurement of the total pension liability since the prior measurement date.

For the year ended August 31, 2021, the Academy recognized pension expense of \$1,184,539 and revenue of \$494,640 for support provided by the State.

## Town of Westlake

### Notes to the Financial Statements

At August 31, 2021, the Academy reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 5,455	\$ 83,371
Changes in actuarial assumptions	693,189	294,739
Changes in proportionate share	1,118,717	18,836
Difference between projected and actual investment earnings	60,478	-
Contributions paid to TRS subsequent to the measurement date	222,306	-
<b>Total</b>	<b>\$ 2,100,145</b>	<b>\$ 396,946</b>

The \$222,306 reported as a deferred outflow of resources resulting from Academy contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2022.

The other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Aug. 31,	Net Deferred Outflows (Inflows)	
2022	\$ 335,659	
2023	346,967	
2024	340,767	
2025	241,902	
2026	160,954	
Thereafter	54,644	
<b>Total</b>	<b>\$ 1,480,893</b>	

## **Town of Westlake**

Notes to the Financial Statements

### **Note 12. Other Post-Employment Benefits (OPEB)**

The Town provides for two other post-employment benefit (OPEB) plans; one provides for postemployment health insurance benefits for teachers at Westlake Academy through a multiple-employer defined benefit medical plan Texas Public School Retired Employees Group Insurance Program (TRS-Care), and the other is the Texas' Municipal Retirement System Supplemental Death Benefits Fund (TMRS-SDBF), a single employer defined benefit OPEB plan for the Town employees. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	TMRS SDBF	TRS-Care	Total
OPEB Liability	\$ 108,591	\$ 2,314,571	\$ 2,423,162
Deferred outflows of resources	33,029	416,945	449,974
Deferred inflows of resources	4,082	1,694,859	1,698,941
OPEB Expense	15,709	(39,985)	(24,276)

#### **TMRS-SDBF Plan Description**

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The Town has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for Town reporting.

#### **TMRS-SDBF Benefits Provided**

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

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

Inactive employees currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>46</u>
	<u><u>61</u></u>

## **Town of Westlake**

Notes to the Financial Statements

### **TMRS-SDBF Contributions**

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

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each Town. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the Town was 0.01% in calendar years 2020 and 2021. The Town's contributions to the SDBF for the year ended September 30, 2021 were \$5,899, and were equal to the required contributions.

### **TMRS-SDBF Total OPEB Liability**

The Town's Total OPEB Liability (TOL) was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

### **TMRS-SDBF Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	3.50% to 11.50% including inflation
Discount rate	2.00%
Retiree's share of benefit-related costs	\$0

Salary increases were based on a service-related table. Salary increases were based on a service - related table. Mortality rates for post-retirement were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for pre-retirement were based on PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Actuarial assumptions used in the December 31, 2020 valuation 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 first adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

The discount rate used to measure the Total OPEB Liability was 2.00% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

## **Town of Westlake**

### Notes to the Financial Statements

#### **TMRS-SDBF Changes in Total OPEB Liability**

	Total OPEB Liability
Balance at 12/31/2019	\$ 82,590
Changes for the year:	
Service Cost	8,934
Interest on Total OPEB Liability	2,388
Change of benefit terms	-
Difference between expected and actual experience	(80)
Changes of assumptions or other inputs	15,184
Benefit payments	(425)
Administrative expense	-
Other changes	-
Net changes	<u>26,001</u>
<b>Balance at 12/31/20</b>	<b><u>\$ 108,591</u></b>

Total OPEB Liability as a Percentage of Covered Payroll is 2.55%.

#### **TMRS-SDBF Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Town, calculated using the discount rate of 2.00%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.00%) or 1 percentage-point higher (3.00%) than the current rate:

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
Total OPEB Liability	\$ 134,366	\$ 108,591	\$ 88,768

## **Town of Westlake**

### Notes to the Financial Statements

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

For the year ended September 30, 2021, the Town recognized OPEB expense of \$15,709. At September 30, 2021, the Town 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
Changes in expected and actual experience	\$ 2,833	\$ 1,331
Changes in assumptions and other inputs	26,655	2,751
Contributions subsequent to the measurement date	3,541	-
<b>Total</b>	<b>\$ 33,029</b>	<b>\$ 4,082</b>

The \$3,541 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2022. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30,	Net Deferred Outflows (Inflows)
2022	\$ 4,387
2023	4,387
2024	4,387
2025	3,987
2026	4,290
Thereafter	3,968
<b>Total</b>	<b>\$ 25,406</b>

#### **TRS-Care Health Care Coverage**

During the period ended August 31, 2021, employees of the Academy (a blended component unit of the Town) who met minimum eligibility requirements were covered by a state-wide health care plan, TRS Active Care. The Academy's participation in this plan is renewed annually. The Academy paid into the Plan \$397 per month per employee and \$322 per month when the employee works less than 30 hours per week if eligible to enroll in TRS Active Care. Employees, at their option, pay premiums for any coverage above these amounts as well as for dependent coverage.

The Teacher Retirement System (TRS) manages TRS Active Care. The medical plan is administered by Aetna, and Caremark Health administers the prescription drug plan. The latest financial information on the state-wide plan may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

## **Town of Westlake**

### Notes to the Financial Statements

#### **TRS-Care Defined Other Post Employment Benefit Plan**

##### **TRS-Care Plan Description**

The Academy participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

##### **TRS-Care Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](https://www.trs.texas.gov/Pages/about_archive_cafr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

##### **TRS-Care Benefits Provided**

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational academies who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with and without Medicare coverage.

TRS-Care Plan Premium Rates

Plan Year 2020

	Medicare	TRS-Care 2	
		Non-Medicare	
Retiree*	\$ 135	\$ 200	
Retiree and spouse	529	689	
Retiree* and children	468	408	
Retiree and family	1,020	999	

\* or surviving spouse

## **Town of Westlake**

### Notes to the Financial Statements

#### **TRS-Care Contributions**

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and Academy based upon Academy payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2020	2021
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the Academy's fiscal year 2021 are as follows:

2021 Employer contributions	\$ 46,994
2021 Member contributions	39,665
2020 Plan year NECE on-behalf contributions (state)	62,186

In addition, the State of Texas contributed \$26,729, \$24,620, and \$20,423 in 2021, 2020, and 2019, respectively, for on-behalf payments for Medicare Part D.

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

#### **TRS-Care Actuarial Assumptions**

The actuarial valuation of the total OPEB liability was performed as of August 31, 2019. Updated procedures were used to roll forward the total OPEB liability to August 31, 2020. The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex.

The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

<u>Demographic Assumptions</u>
Rates of mortality
Rates of retirement
Rates of termination
Rates of disability

<u>Economic Assumptions</u>
General inflation
Wage inflation
Salary increase

## Town of Westlake

### Notes to the Financial Statements

The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

Valuation date	August 31, 2019, rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Discount Rate	2.33%. Source from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2020.
Aging factors	Based on plan specific experience
Election rates	Normal retirement; 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Healthcare trend rates	9.00% for Medicare retirees and 7.30% for non-Medicare retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.
Ad-hoc employment benefit changes	None

### TRS-Care Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability at August 31, 2020. There was a decrease of 0.30% in the discount rate since the August 31, 2019 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

**TRS-Care Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Academy's proportionate share of the net OPEB liability	\$ 2,777,480	\$ 2,314,571	\$ 1,948,940

## **Town of Westlake**

### Notes to the Financial Statements

**TRS-Care Healthcare Cost Trend Rates Sensitivity Analysis.** The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease in Rate	Trend Rate	1% Increase in Discount Rate
Academy's proportionate share of the net OPEB liability	\$ 1,890,708	\$ 2,314,571	\$ 2,879,097

**TRS-Care OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At August 31, 2021, the Academy reported a liability of \$2,314,571 for its proportionate share of TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the Academy. The amount recognized by the Academy as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Academy were as follows:

Academy's proportionate share of the collective net OPEB liability	\$ 2,314,571
State's proportionate share that is associated with Academy	<u>3,110,229</u>
<b>Total</b>	<b><u>\$ 5,424,800</u></b>

The Net OPEB Liability was measured as of August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of August 31, 2019 rolled forward to August 31, 2020. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At August 31, 2020 the employer's proportion of the collective Net OPEB Liability was .0060886508% which was an increase of .0001029369% the same proportion measured as of August 31, 2019.

**TRS-Care Changes Since the Prior Actuarial Valuation.** The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period.

- The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
- The ultimate health care trend assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. These changes decreased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 50% to 40%. This change decreased the total OPEB liability.

For the year ended August 31, 2021, the Academy recognized OPEB expense of (\$39,985) and revenue of (\$21,596) for support provided by the State.

## **Town of Westlake**

### Notes to the Financial Statements

At August 31, 2021, the Academy reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 121,190	\$ 1,059,266
Changes in actuarial assumptions	142,761	635,593
Difference between projected and actual investment earnings	752	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	105,248	-
Contributions paid to TRS subsequent to the measurement date	46,994	-
<b>Total</b>	<b><u>\$ 416,945</u></b>	<b><u>\$ 1,694,859</u></b>

The \$46,994 deferred outflow of resources resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2022.

The net amounts of the remaining balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31,	OPEB Expense (Income) Amount
2022	\$ (224,204)
2023	(224,304)
2024	(224,364)
2025	(224,348)
2026	(162,524)
Thereafter	<u>(265,164)</u>
<b>Total</b>	<b><u>\$ (1,324,908)</u></b>

### **Note 13. Risk Management**

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Town's general liability, workers' compensation liability, law enforcement liability, errors and omissions liability, and automobile liability coverage is insured by the Texas Municipal League, a public entity risk pool. The Town's only responsibility to the Texas Municipal League is to pay premiums for insurance and related deductible amounts of these policies. Other risk of loss is covered by commercial insurance. Settlements of claims have not exceeded coverage in the past three years.

## **Town of Westlake**

Notes to the Financial Statements

### **Note 14. Contingent Liabilities**

#### **Litigation**

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on these claims and lawsuits will not materially affect the Town's financial position.

#### **Circle T Municipal Utility Districts**

The Town and Hillwood are currently in discussions regarding the debt for Municipal Utility District's (MUDs) #1 and #3 on the Circle T property in Westlake which is controlled by All Investments, L.P. As this property develops, Hillwood agreed to de-annex developed property from the MUDs in exchange for pro-rata payments on water and sewer infrastructure installed by the MUDs at their inception.

To date, three projects, Lexington TNI, Deloitte University, and Charles Schwab, have been or are being developed within these MUDs. Discussions regarding the Town's payment to All Investments, L.P. in exchange for de-annexation of these three tracks from the Circle T MUDs have taken place but have not come to a conclusion as to the settlement amounts. These discussions are ongoing until the Town receives full documentation that it determines is adequate to support the requested payments. The Town of Westlake holds full rights and privileges under the State granted Certificate of Convenience and Necessity (CCN) and can serve all water and sewer customers within these MUD boundaries regardless of the status of these negotiations.

### **Note 15. Solana Public Improvement District**

On February 24, 2014, the Town Council granted a petition by Maguire Partners-Solana Land, LP in resolution 14-07 to authorize and provide for the creation of a public improvement district, The Solana Public Improvement District ("the District"). The District encompasses approximately 85 acres currently being developed as a master-planned mixed-use development known as "Westlake Entrada" that is expected to include, among other things, condominiums, residential villas, hotels, office, retail, commercial, institutional and hospitality uses, and a wedding event center. The District was created in accordance with Chapter 372 of the Texas Local Government Code.

On February 5, 2015, the Town Council approved issuance of \$26,175,000 of Special Assessment Revenue Bonds, Series 2015 related to the District. The Public Improvement District Bonds (The Bonds) are special and limited obligations of the Town payable solely from the pledged revenues and other funds comprising the Trust Estate, as and to the extent provided in the indenture. The bonds do not give rise to a charge against the general credit or taxing power of the Town and are payable solely from the sources identified in the indenture. The owners of the bonds shall never have the right to demand payment thereof out of money raised or to be raised by taxation, or out of any funds of the Town other than the Trust Estate, as and to the extent provided in the indenture; and, no owner of the bonds shall have the right to demand any exercise of the Town's taxing power to pay the principal of the bonds or the interest or redemption premium, if any, thereon. The Town shall have no legal or moral obligation to pay the bonds out of any funds of the Town other than the Trust Estate in accordance with the Texas Local Government Code.

The proceeds from the bond issue are being used as follows: payment of a portion of the costs of construction, acquisition, or purchase of certain water, wastewater and roadway public improvements for the special benefit of the District; funding a reserve fund; funding capitalized interest; payment of a portion of the costs incidental to the organization of the District; and payment of the cost of issuance of the bonds. The Town is not, and will not be obligated to provide any funds to finance construction of authorized improvements. All design and construction costs of the District's authorized public improvements will be paid from the District assessments and from other sources of funds, if any, to the extent provided in the Trust Indenture.

## **Town of Westlake**

Notes to the Financial Statements

### **Note 16. Tax Abatements**

The Town enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 of the Texas Tax Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales and hotel/motel taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case-by-case basis by the Town Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

### **Other Economic Agreements**

Chapter 380 of the Texas Local Government Code allows the Town to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the Town. For the fiscal year ending September 30, 2021, the Town abated \$594,163 in property taxes.

### **Note 17. Going Concern**

The 2021 financial statements were prepared assuming the Texas Student Housing entities will continue as going concerns. The Texas Student Housing entities' bonds payable are considered to be in default due to not making full principal and interest payments and, therefore, are reported as current liabilities. This is considered an event of default by the Trustees, which gives the bondholders the right to accelerate and demand payment of the bonds in full. Management and the property managers are in the process of developing and implementing plans to increase occupancy and rental rates at the properties to improve their financial performance.

### **Note 18. Subsequent Events**

The Town has evaluated all events or transactions that occurred after September 30, 2021 up through May 17, 2022, the date the financial statements were issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements, except as follows:

#### Bond Issuance

On February 15, 2022, the Town issued \$14,920,000 of General Obligation Refunding Bonds, Series 2022. These bonds were issued to refund the contractual obligations owed by the Town's Utility Fund (business-type activities) consisting of \$4,679,944 of principal and accrued interest of \$11,001,089. These bonds have an interest rate of 4.0% and will mature in 2030.

### **Note 19. GASB Pronouncements Implemented by the Town**

GASB Statement No. 84, Fiduciary Activities. This Statement was issued in January 2017 and provides guidance to enhance the consistency and comparability of fiduciary activity reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Beginning net position of the PID Custodial Fund was restated by \$4,048,673, and beginning net position of the governmental activities and beginning fund balance of the Westlake Academy Fund (major special revenue) were restated by \$56,123 as a result of the implementation of this pronouncement.

## **Required Supplementary Information**



**Town of Westlake**

Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
Budget and Actual – General Fund  
For the Year Ended September 30, 2021

	<b>General Fund</b>				<b>Variance</b> <b>Favorable</b> <b>(Unfavorable)</b>	
	<b>Budgeted Amounts</b>		<b>Actual</b>			
	<b>Original</b>	<b>Amended</b>				
<b>REVENUES</b>						
Taxes						
Sales	\$ 3,166,125	\$ 4,500,000	\$ 4,779,274	\$ 279,274		
Property	1,837,577	2,003,360	2,017,446	14,086		
Mixed beverages	40,000	40,000	23,269	(16,731)		
Franchise	942,125	942,125	735,263	(206,862)		
Interest income	96,300	36,300	26,664	(9,636)		
Building permits and fees	2,691,217	2,367,185	2,612,098	244,913		
Fines and penalties	475,600	517,918	582,854	64,936		
Intergovernmental	285,325	25,000	25,000	-		
Contributions	-	300,000	300,000	-		
Miscellaneous	25,905	256,405	91,890	(164,515)		
<b>Total revenues</b>	<b>9,560,174</b>	<b>10,988,293</b>	<b>11,193,758</b>	<b>205,465</b>		
<b>EXPENDITURES</b>						
Current						
General government	5,384,425	5,335,425	5,052,010	283,415		
Public safety	3,971,557	3,633,232	3,546,694	86,538		
Cultural and recreation	318,273	280,273	182,253	98,020		
Public works	762,095	720,095	601,562	118,533		
Debt service						
Principal retirement	36,680	36,680	36,677	3		
<b>Total expenditures</b>	<b>10,473,030</b>	<b>10,005,705</b>	<b>9,419,196</b>	<b>586,509</b>		
Excess of revenues over expenditures	(912,856)	982,588	1,774,562	791,974		
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	68,000	192,588	205,014	12,426		
Transfers out	(966,816)	(449,876)	(357,169)	92,707		
Net other financing sources (uses)	(898,816)	(257,288)	(152,155)	105,133		
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,811,672)</b>	<b>725,300</b>	<b>1,622,407</b>	<b>897,107</b>		
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>16,590,510</b>	<b>16,590,510</b>	<b>16,590,510</b>	<b>-</b>		
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 14,778,838</b>	<b>\$ 17,315,810</b>	<b>\$ 18,212,917</b>	<b>\$ 897,107</b>		

**Town of Westlake****Exhibit B-2**

Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual – Westlake Academy  
For the Year Ended August 31, 2021

<b>Westlake Academy</b>					
	<b>Budgeted Amounts</b>			<b>Variance</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Favorable</b>	
	\$	\$	\$	\$	\$
<b>REVENUES</b>					
State program revenues	\$ 8,302,843	\$ 8,405,664	\$ 8,457,552	\$ 51,888	
Federal program revenues	115,421	121,678	121,678	-	
Interest income	10,000	5,000	2,422	(2,578)	
Local and intermediate sources	1,269,135	1,422,792	1,420,977	(1,815)	
 Total revenues	 9,697,399	 9,955,134	 10,002,629	 47,495	
<b>EXPENDITURES</b>					
Education	9,668,876	9,699,347	9,557,739	141,608	
Debt service	207,922	207,922	207,922	-	
 Total expenditures	 9,876,798	 9,907,269	 9,765,661	 141,608	
 Excess (deficiency) of revenues over (under) expenditures	 (179,399)	 47,865	 236,968	 189,103	
<b>NET CHANGE IN FUND BALANCE</b>					
	(179,399)	47,865	236,968	189,103	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>					
	1,761,287	1,761,287	1,761,287	-	
<b>Cumulative effect of change in accounting principle</b>					
	-	-	56,123	56,123	
<b>FUND BALANCE AT END OF YEAR</b>					
	\$ 1,581,888	\$ 1,809,152	\$ 2,054,378	\$ 245,226	

## **Town of Westlake**

### Notes to Budgetary Comparison Schedules

**Budgetary Information** – The Town follows these procedures annually in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Town Manager submits to the Town Council a proposed budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
2. Prior to October 1, the budget is legally adopted through passage of an ordinance. This budget is reported as the Original Budget in the budgetary comparison schedules.
3. During the fiscal year, changes to the adopted budget may be authorized, as follows:
  - a. Items requiring Town Council action - appropriation of fund balance reserves; transfers of appropriations between funds; new inter-fund loans or advances; and creation of new capital projects or increases to existing capital projects.
  - b. Items delegated to the Town Manager - appropriation balances from an expenditure account to another within a single fund.
4. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
5. The appropriated budget is prepared by fund, function and department. The Town's management may make transfers of appropriations within a fund. Transfers of appropriations between funds require the approval of the Town Council. The legal level of budgetary control is the fund level. The Town Council made several supplementary budget appropriations during the year.
6. Commitments are for goods or services in future years. Accounting under other commitments for the expenditure of resources are recorded to reserve a portion of the governmental funds. The budgeted commitments lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated, budgeted, and honored during the subsequent year.
7. Prior to August 25 of the preceding fiscal year, the Westlake Academy prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget. Prior to September 1, the budget is legally enacted through resolution by the Board. Once a budget is approved, it can only be amended at the object, function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment made before the fact, is reflected in the official minutes of the Board, and is not made after fiscal year end. All budget appropriations lapse at year-end.

**Town Of Westlake**
**Exhibit B-3**

 Schedule of Net Pension Liability and Related Ratios  
 Texas Municipal Retirement System Pension Plan  
 Last Seven Measurement Years

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>							
Service cost	\$ 683,693	\$ 651,255	\$ 605,453	\$ 566,643	\$ 483,414	\$ 435,146	\$ 288,923
Interest	660,928	570,598	493,022	439,725	371,753	317,982	264,994
Change in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(5,405)	131,635	126,691	(120,557)	212,434	96,226	176,965
Change in assumptions	-	89,534	-	-	-	139,579	-
Benefit payments	(129,398)	(112,642)	(84,942)	(146,316)	(58,144)	(38,289)	(55,762)
Net change in total pension liability	1,209,818	1,330,380	1,140,224	739,495	1,009,457	950,644	675,120
Total pension liability, beginning	<u>9,514,373</u>	<u>8,183,993</u>	<u>7,043,769</u>	<u>6,304,274</u>	<u>5,294,817</u>	<u>4,344,173</u>	<u>3,669,053</u>
Total pension liability, ending	<u>10,724,191</u>	<u>9,514,373</u>	<u>8,183,993</u>	<u>7,043,769</u>	<u>6,304,274</u>	<u>5,294,817</u>	<u>4,344,173</u>
<b>Plan fiduciary net position</b>							
Contributions, employer	500,613	470,903	472,011	400,684	330,604	290,278	172,064
Contributions, nonemployer	297,813	279,349	257,327	232,776	203,359	188,725	152,077
Net investment income	615,040	999,440	(179,608)	670,195	276,056	5,368	182,430
Benefit payments	(129,398)	(112,642)	(84,942)	(146,316)	(58,144)	(38,289)	(55,762)
Administrative income	(3,966)	(5,628)	(3,463)	(3,468)	(3,113)	(3,268)	(1,904)
Other	(155)	(169)	(181)	(176)	(168)	(191)	(127)
Net change in plan fiduciary net position	1,279,947	1,631,253	461,144	1,153,695	748,594	442,623	448,778
Plan fiduciary net position, beginning	<u>8,073,885</u>	<u>6,442,632</u>	<u>5,981,488</u>	<u>4,827,793</u>	<u>4,079,199</u>	<u>3,636,576</u>	<u>3,187,798</u>
Plan fiduciary net position, ending	<u>9,353,832</u>	<u>8,073,885</u>	<u>6,442,632</u>	<u>5,981,488</u>	<u>4,827,793</u>	<u>4,079,199</u>	<u>3,636,576</u>
<b>Town's net pension liability, ending</b>	<b><u>\$ 1,370,359</u></b>	<b><u>\$ 1,440,488</u></b>	<b><u>\$ 1,741,361</u></b>	<b><u>\$ 1,062,281</u></b>	<b><u>\$ 1,476,481</u></b>	<b><u>\$ 1,215,618</u></b>	<b><u>\$ 707,597</u></b>
Plan fiduciary net position as a % of total pension liability	87.22%	84.86%	78.72%	84.92%	76.58%	77.04%	83.71%
Covered payroll	\$ 4,254,465	\$ 3,961,404	\$ 3,676,095	\$ 3,325,369	\$ 2,905,134	\$ 2,696,072	\$ 2,172,525
Town's net pension liability as a % of payroll	32.21%	36.36%	47.37%	31.94%	50.82%	45.09%	32.57%

**Note:** Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

**Town of Westlake**

## Schedule of Pension Contributions

## Texas Municipal Retirement System Pension Plan

## Last Seven Fiscal Years

**Exhibit B-4**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contributions	\$ 524,995	\$ 478,059	\$ 473,030	\$ 454,421	\$ 419,720	\$ 316,618	\$ 277,651
Contributions in relation to the actuarially determined contributions	<u>(524,995)</u>	<u>(478,059)</u>	<u>(473,030)</u>	<u>(454,421)</u>	<u>(419,720)</u>	<u>(316,618)</u>	<u>(277,651)</u>
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>						
Covered payroll	4,460,447	4,058,942	3,920,565	3,676,094	3,325,369	2,821,349	2,778,776
Contributions as a percentage of covered payroll	11.77%	11.78%	12.07%	12.36%	12.62%	11.22%	9.99%

**Note:** GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the Town's fiscal year as opposed to the time period covered by the measurement date.

**Note:** Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

**Town of Westlake****Exhibit B-5**

Schedule of Academy's Proportionate Share  
 of Net Pension Liability – Teacher Retirement System Pension Plan  
 Last Seven Measurement Years

	2020	2019	2018	2017	2016	2015	2014
Academy's proportion of the net pension liability	0.0055779%	0.0028912%	0.0027061%	0.0028012%	0.0027822%	0.0030945%	0.0007190%
Academy's proportionate share of net pension liability	\$ 2,987,427	\$ 1,502,914	\$ 1,489,525	\$ 895,663	\$ 1,051,346	\$ 1,093,865	\$ 192,056
State's proportionate share of net pension liability associated with the Westlake Academy	4,112,478	5,272,547	5,571,598	3,480,057	4,035,754	3,667,893	2,965,583
<b>Total</b>	<b>\$ 7,099,905</b>	<b>\$ 6,775,461</b>	<b>\$ 7,061,123</b>	<b>\$ 4,375,720</b>	<b>\$ 5,087,100</b>	<b>\$ 4,761,758</b>	<b>\$ 3,157,639</b>
Academy's covered payroll	\$ 5,984,542	\$ 5,534,431	\$ 5,289,916	\$ 5,391,515	\$ 5,094,571	\$ 4,784,695	\$ 4,300,931
Academy's proportionate share of net pension liability as a percentage of its covered payroll	49.92%	27.16%	28.16%	16.61%	20.64%	22.86%	4.47%
Plan fiduciary net position as a percentage of total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

**Note:** Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**Town of Westlake**

Schedule of Pension Contributions  
 Teacher Retirement System Pension Plan  
 Last Seven Fiscal Years  
 (Unaudited)

**Exhibit B-6**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Statutorily required contributions	\$ 222,306	\$ 230,148	\$ 100,311	\$ 91,593	\$ 131,436	\$ 88,399	\$ 92,325
Actual contributions in relation to statutorily required contributions	(222,306)	(230,148)	(100,311)	(91,593)	131,436	88,399	92,325
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>						
Academy's covered payroll	\$ 6,119,043	\$ 5,984,542	\$ 5,534,431	\$ 5,289,916	\$ 5,391,515	\$ 5,094,571	\$ 4,784,694
Contributions as a percentage of Academy's covered payroll	3.63%	3.85%	1.81%	1.73%	2.44%	1.74%	1.93%

**Note:** GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the Academy's current fiscal year as opposed to the time period covered by the measurement date.

**Note:** Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the ten-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**Town of Westlake****Exhibit B-7**

Schedule of Changes in the Total OPEB Liability and Related Ratios  
 Texas Municipal Retirement System OPEB Plan  
 Last Four Measurement Years  
 (Unaudited)

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>				
Service cost	\$ 8,934	\$ 7,131	\$ 7,720	\$ 6,318
Interest	2,388	2,146	1,844	1,603
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	(80)	3,831	(2,126)	-
Change in assumptions	15,184	15,394	(4,632)	4,872
Benefit payments	(425)	(396)	(5,184)	4,816
Net change in total OPEB liability	26,001	28,106	(2,378)	17,609
Total OPEB liability, beginning	<u>82,590</u>	<u>54,484</u>	<u>56,862</u>	<u>39,253</u>
<b>Total OPEB liability, ending</b>	<b>\$ 108,591</b>	<b>\$ 82,590</b>	<b>\$ 54,484</b>	<b>\$ 56,862</b>
Employee covered payroll	\$ 4,254,465	\$ 3,961,404	\$ 3,676,094	\$ 3,325,369
Total OPEB liability as a % of employee covered payroll	2.55%	2.08%	1.48%	1.71%

**Note:** Only four years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

**Town of Westlake**

## Schedule of OPEB Contributions

Texas Municipal Retirement System OPEB Plan  
Last Four Fiscal Years  
(Unaudited)**Exhibit B-8**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contributions	\$ 5,899	\$ 7,712	\$ 7,349	\$ 6,380
Contributions in relation to the actuarially determined contributions	(5,899)	(7,712)	(7,349)	(6,380)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered employee payroll	\$ 4,460,447	\$ 4,058,942	\$ 3,920,565	\$ 3,676,094
Contributions as a percentage of covered employee payroll	0.13%	0.19%	0.19%	0.17%

**Note:** GASB #75, paragraph 57 requires that the data in this schedule be presented as of the Town's fiscal year as opposed to the time period covered by the measurement date.

Only four years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available. The TMRS Supplementary Death Benefit Fund (SDBF) is considered to be an unfunded OPEB plan; therefore, no plan fiduciary net position and related ratios are reported in the above schedule.

**Town of Westlake****Exhibit B-9**

Schedule of Academy's Proportionate Share of the Net OPEB Liability and Related Ratios  
 Teacher Retirement System TRS Care Plan  
 Last Four Measurement Years  
 (Unaudited)

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Academy's proportion of the net OPEB liability	0.006088651%	0.0059857139%	0.00590934%	0.0058830418%
Academy's proportionate share of net OPEB liability	\$ 2,314,571	\$ 2,830,719	\$ 2,950,588	\$ 2,558,314
State's proportionate share of net OPEB liability associated with the Westlake Academy	<u>3,110,229</u>	<u>3,761,390</u>	<u>4,695,104</u>	<u>4,406,333</u>
<b>Total</b>	<b>\$ 5,424,800</b>	<b>\$ 6,592,109</b>	<b>\$ 7,645,692</b>	<b>\$ 6,964,647</b>
Academy's covered payroll	\$ 5,984,542	\$ 5,534,431	\$ 5,289,916	\$ 5,391,515
Academy's proportionate share of net OPEB liability as a percentage of its covered payroll	38.68%	51.15%	55.78%	47.45%
Plan fiduciary net position as a percentage of total OPEB liability	4.99%	2.66%	1.57%	0.91%

**Note:** Only four years of data is presented in accordance with GASB #75. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**Town of Westlake**

Schedule of Academy's OPEB Contributions  
 Teacher Retirement System TRS Care Plan  
 Last Four Fiscal Years  
 (Unaudited)

**Exhibit B-10**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Statutorily required contributions	\$ 46,994	\$ 46,278	\$ 46,703	\$ 46,204
Actual contributions in relation to statutorily required contributions	<u>(46,994)</u>	<u>(46,278)</u>	<u>(46,703)</u>	<u>(46,204)</u>
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Academy's covered payroll	\$ 6,102,222	\$ 5,984,542	\$ 5,534,431	\$ 5,289,916
Contributions as a percentage of Academy's covered payroll	0.77%	0.77%	0.84%	0.87%

**Note:** GASB 75 requires that the data in this schedule be presented as of the Academy's current fiscal year as opposed to the time period covered by the measurement date.

**Note:** Only four years of data is presented in accordance with GASB #75. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."



THE TOWN OF  
**WESTLAKE**

DISTINCTIVE BY DESIGN

## **Combining and Individual Fund Statements and Schedules**

**Town of Westlake****Exhibit C-1**

Schedule of Revenues, Expenditures  
and Changes In Fund Balances  
Budget and Actual – Debt Service Fund  
For the Year Ended September 30, 2021

<b>Debt Service Fund</b>			
	<b>Budgeted Amounts</b>	<b>Variance</b>	
	<b>Original</b>	<b>Amended</b>	<b>Favorable</b> <b>(Unfavorable)</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 632,381	\$ 699,383	\$ 694,403
	<u>632,381</u>	<u>699,383</u>	<u>(4,980)</u>
Total revenues			
	<u>632,381</u>	<u>699,383</u>	<u>(4,980)</u>
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	1,651,350	1,651,350	1,651,350
Interest and other fiscal charges	1,039,924	1,039,839	1,039,839
Bond issuance costs	-	-	72,932
	<u>-</u>	<u>-</u>	<u>(72,932)</u>
Total expenditures	<u>2,691,274</u>	<u>2,691,189</u>	<u>2,764,121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,058,893)</u>	<u>(1,991,806)</u>	<u>(2,069,718)</u>
	<u>(2,058,893)</u>	<u>(1,991,806)</u>	<u>(77,912)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,022,191	1,949,876	1,950,261
Refunding bonds issued	-	-	4,430,000
Payment to refunding bond escrow agent	-	-	(4,694,366)
Premium on refunding bonds issued	-	-	337,298
	<u>-</u>	<u>-</u>	<u>337,298</u>
Total other financing sources (uses)	<u>2,022,191</u>	<u>1,949,876</u>	<u>2,023,193</u>
	<u>2,022,191</u>	<u>1,949,876</u>	<u>73,317</u>
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>(36,702)</u>	<u>(41,930)</u>	<u>(46,525)</u>
	<u>(36,702)</u>	<u>(41,930)</u>	<u>(4,595)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			
	<u>150,518</u>	<u>150,518</u>	<u>150,518</u>
	<u>150,518</u>	<u>150,518</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>			
	<u>\$ 113,816</u>	<u>\$ 108,588</u>	<u>\$ 103,993</u>
	<u>\$ 113,816</u>	<u>\$ 108,588</u>	<u>\$ (4,595)</u>

**Town of Westlake**

Nonmajor Governmental Funds

**Visitors Association Fund**

To account for municipal hotel occupancy taxes collected and expenditures to promote tourism and the convention and hotel industry.

**Lone Star Public Facilities Corporation Fund**

To account for investment activity relating to the Lone Star Public Facilities Corporation.

**Economic Development Fund**

To account for sales tax and hotel occupancy tax collected to fund activity relating to Economic Development agreements.

**Public Arts Fund**

To account for contributions restricted for public arts.

**4B Economic Development Corporation Fund**

To account for sales tax collected to fund the activities of the 4B Economic Development Corporation.

**Solana Public Improvement District (PID) Capital Projects Fund**

To account for the acquisition or construction of capital facilities and improvements relating to the Solana public improvement district.

**Westlake Academy Expansion Capital Projects Fund**

To account for proceeds from long-term financing and revenue and expenditures related to authorized construction related to the expansion of Westlake Academy facilities.

**Town of Westlake**
**Exhibit C-2**

 Combining Balance Sheet  
 Non Major Governmental Funds  
 September 30, 2021

Special Revenue Funds								
	Visitors Association Fund	Lone Star Public Facilities Corporation Fund	Economic Development Fund	Public Arts Fund	4B Economic Development Corporation Fund	Solana PID Capital Projects Fund	Westlake Academy Expansion Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 98,833	\$ 14,744	\$ -	\$ 250,000	\$ -	\$ -	\$ 2,066,012	\$ 2,429,589
Accounts receivable	38,700	-	69	-	278,846	-	-	317,615
Prepaid items	397	-	-	-	-	-	-	397
Restricted cash and investments	-	-	-	-	-	230,402	-	230,402
<b>Total assets</b>	<b>\$ 137,930</b>	<b>\$ 14,744</b>	<b>\$ 69</b>	<b>\$ 250,000</b>	<b>\$ 278,846</b>	<b>\$ 230,402</b>	<b>\$ 2,066,012</b>	<b>\$ 2,978,003</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Accounts payable	\$ 37,992	\$ -	\$ -	\$ -	\$ -	200,999	13,510	\$ 252,501
Unearned revenue	1,857	-	-	-	-	-	-	1,857
Due to other funds	-	-	-	-	278,846	-	-	278,846
Total liabilities	39,849	-	-	-	278,846	200,999	13,510	533,204
<b>FUND BALANCES</b>								
Nonspendable:								
Prepaid items	397	-	-	-	-	-	-	397
Restricted for:								
Capital items	-	-	-	250,000	-	29,403	2,052,502	2,331,905
Tourism	97,684	-	-	-	-	-	-	97,684
Future projects	-	14,744	69	-	-	-	-	14,813
Total fund balances	98,081	14,744	69	250,000	-	29,403	2,052,502	2,444,799
<b>Total liabilities and fund balances</b>	<b>\$ 137,930</b>	<b>\$ 14,744</b>	<b>\$ 69</b>	<b>\$ 250,000</b>	<b>\$ 278,846</b>	<b>\$ 230,402</b>	<b>\$ 2,066,012</b>	<b>\$ 2,978,003</b>

**Town of Westlake**

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2021

**Exhibit C-3**

	Special Revenue Funds						Westlake Academy Expansion Capital Projects Fund	Total Nonmajor Governmental Funds
	Visitors Association Fund	Lone Star Public Facilities Corporation Fund	Economic Development Fund	Public Arts Fund	4B Economic Development Corporation Fund	Solana PID Capital Projects Fund		
<b>REVENUES</b>								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,593,092	\$ -	\$ -	\$ 1,593,092
Hotel occupancy taxes	222,868	-	69	-	-	-	-	222,937
Interest income	294	25	-	-	-	-	4,584	4,903
Contributions	-	-	-	150,000	-	-	50,000	200,000
Total revenues	223,162	25	69	150,000	1,593,092	-	54,584	2,020,932
<b>EXPENDITURES</b>								
Current:								
Visitor services	448,414	-	-	-	-	-	-	448,414
Capital outlay	-	-	-	-	-	-	14,000	14,000
Total expenditures	448,414	-	-	-	-	-	14,000	462,414
Excess (deficiency) of revenues over (under) expenditures	(225,252)	25	69	150,000	1,593,092	-	40,584	1,558,518
<b>OTHER FINANCING SOURCES</b>								
Transfers out	-	-	-	-	(1,593,092)	-	(1,000,000)	(2,593,092)
Total other financing sources	-	-	-	-	(1,593,092)	-	(1,000,000)	(2,593,092)
Net change in fund balances	(225,252)	25	69	150,000	-	-	(959,416)	(1,034,574)
Fund balances, October 1	323,333	14,719	-	100,000	-	29,403	3,011,918	3,479,373
<b>Fund balances, September 30</b>	<b>\$ 98,081</b>	<b>\$ 14,744</b>	<b>\$ 69</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 29,403</b>	<b>\$ 2,052,502</b>	<b>\$ 2,444,799</b>

**Town Of Westlake****Exhibit C-4**

Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual – Visitors Association Fund  
For the Year Ended September 30, 2021

	Visitors Association Fund			<b>Variance</b> <b>Favorable</b> <b>(Unfavorable)</b>	
	<b>Budgeted Amounts</b>		<b>Actual</b>		
	<b>Original</b>	<b>Amended</b>			
<b>REVENUES</b>					
Hotel occupancy taxes	\$ 378,000	\$ 228,000	\$ 222,868	\$ (5,132)	
Interest income	3,500	1,000	294	(706)	
Miscellaneous	5,700	5,700	-	(5,700)	
Total revenues	<u>387,200</u>	<u>234,700</u>	<u>223,162</u>	<u>(11,538)</u>	
<b>EXPENDITURES</b>					
Visitor services	<u>517,241</u>	<u>517,241</u>	<u>448,414</u>	<u>68,827</u>	
Total expenditures	<u>517,241</u>	<u>517,241</u>	<u>448,414</u>	<u>68,827</u>	
Deficiency of revenues under expenditures	<u>(130,041)</u>	<u>(282,541)</u>	<u>(225,252)</u>	<u>57,289</u>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>(130,041)</b>	<b>(282,541)</b>	<b>(225,252)</b>	<b>57,289</b>	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>323,333</b>	<b>323,333</b>	<b>323,333</b>	<b>-</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 193,292</b>	<b>\$ 40,792</b>	<b>\$ 98,081</b>	<b>\$ 57,289</b>	

**Town of Westlake****Exhibit C-5**

Schedule of Revenues, Expenditures  
and Changes In Fund Balances

Budget and Actual – Lone Star Public Facilities Corporation Fund  
For the Year Ended September 30, 2021

<b>Lone Star Public Facilities Corporation Fund</b>					
<b>REVENUES</b>	<b>Budgeted Amounts</b>			<b>Variance</b>	
	<b>Original</b>	<b>Amended</b>	<b>Actual</b>	<b>Favorable</b>	
	\$ 50	\$ 50	\$ 25	\$ (25)	
Interest income					
Total revenues	<u>50</u>	<u>50</u>	<u>25</u>		<u>(25)</u>
<b>NET CHANGE IN FUND BALANCE</b>	50	50	25		(25)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>14,719</u>	<u>14,719</u>	<u>14,719</u>		-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 14,769</u>	<u>\$ 14,769</u>	<u>\$ 14,744</u>		<u>\$ (25)</u>

**Town of Westlake****Exhibit C-6**

Schedule of Revenues, Expenditures  
and Changes in Fund Balances

Budget and Actual – Economic Development Fund  
For the Year Ended September 30, 2021

	Economic Development Fund			Variance Favorable (Unfavorable)	
	Budgeted Amounts		Actual		
	Original	Amended			
<b>REVENUES</b>					
Taxes					
Hotel occupancy	\$ 28,000	\$ 28,000	\$ 69	\$ (27,931)	
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>69</u>	<u>(27,931)</u>	
<b>EXPENDITURES</b>					
Economic development	28,000	28,000	-	28,000	
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>28,000</u>	
Excess of revenues over expenditures	-	-	69	69	
<b>NET CHANGE IN FUND BALANCE</b>	-	-	69	69	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	-	-	-	-	
<b>FUND BALANCE AT END OF YEAR</b>	\$ -	\$ -	\$ 69	\$ 69	

**Town of Westlake****Exhibit C-7**

Schedule of Revenues, Expenditures  
and Changes in Fund Balances

Budget and Actual – 4B Economic Development Corporation Fund  
For the Year Ended September 30, 2021

<b>4B Economic Development Corporation</b>					
	<b>Budgeted Amounts</b>			<b>Variance</b>	
	<b>Original</b>	<b>Amended</b>	<b>Actual</b>	<b>Favorable</b>	
				<b>(Unfavorable)</b>	
<b>REVENUES</b>					
Taxes					
Sales	\$ 1,055,375	\$ 1,500,000	\$ 1,593,092	\$ 93,092	
Total revenues	1,055,375	1,500,000	1,593,092	93,092	
<b>OTHER FINANCING USES</b>					
Transfers out	(1,055,375)	(1,500,000)	(1,593,092)	(93,092)	
Total other financing uses	(1,055,375)	(1,500,000)	(1,593,092)	(93,092)	
<b>NET CHANGE IN FUND BALANCE</b>					
<b>FUND BALANCE AT BEGINNING OF YEAR</b>					
	-	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>					
	\$ -	\$ -	\$ -	\$ -	



THE TOWN OF  
**WESTLAKE**

DISTINCTIVE BY DESIGN

## **Statistical Section**

## Statistical Section

### Unaudited

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

	Page
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	115 - 120
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Town's most significant local revenue sources. Although sales taxes are the Town's most significant local revenue source, information about principal revenue payers is confidential under Texas statutes, and; therefore, not disclosed. Trend information about sales tax revenue is provided in Exhibit S-9.	121 - 125
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	126 - 128
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	129 - 131
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	132 - 133

Sources: Unless otherwise noted, the information in these schedules is derived from annual financial reports for the relevant year.

**Town of Westlake**

**Exhibit S-1**

Net Position by Component

Last Ten Years

Accrual Basis of Accounting – Unaudited

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net Investment in capital assets	\$ 14,866,299	\$ 21,177,426	\$ 32,048,991	\$ 29,633,298	\$ 38,299,337	\$ 46,499,873	\$ 47,629,452	\$ 48,030,010	\$ 46,633,638	\$ 48,565,384
Restricted	4,726,376	4,243,239	2,284,947	17,827,177	7,489,048	2,034,916	1,077,646	3,786,893	3,653,143	2,684,375
Unrestricted	5,023,731	6,636,876	( 910,977)	7,108,101	9,260,572	9,513,643	6,437,845	10,775,740	12,350,020	13,764,861
Total governmental activities net position	<u>\$ 24,616,406</u>	<u>\$ 32,057,541</u>	<u>\$ 33,422,961</u>	<u>\$ 54,568,576</u>	<u>\$ 55,048,957</u>	<u>\$ 58,048,432</u>	<u>\$ 55,144,943</u>	<u>\$ 62,592,643</u>	<u>\$ 62,636,801</u>	<u>\$ 65,014,620</u>
Business-type activities:										
Net investment in capital assets	\$ 6,877,555	\$ 6,601,949	\$ 6,734,414	\$ 6,410,547	\$ 6,044,363	\$ 5,583,570	\$ 5,293,188	\$ 4,909,471	\$ 4,672,681	\$ 4,230,293
Restricted	-	-	-	-	-	-	-	-	50,000	50,000
Unrestricted	( 1,636,249)	( 842,457)	( 1,272,014)	( 2,608,315)	( 4,041,360)	( 3,746,696)	( 4,685,810)	( 6,548,934)	( 6,328,176)	( 5,029,957)
Total business-type activities net position	<u>\$ 5,241,306</u>	<u>\$ 5,759,492</u>	<u>\$ 5,462,400</u>	<u>\$ 3,802,232</u>	<u>\$ 2,003,003</u>	<u>\$ 1,836,874</u>	<u>\$ 607,378</u>	<u>\$ ( 1,639,463)</u>	<u>\$ ( 1,605,495)</u>	<u>\$ ( 749,664)</u>
Primary government:										
Net investment in capital assets	\$ 21,743,854	\$ 27,779,375	\$ 38,783,405	\$ 36,043,845	\$ 44,343,700	\$ 52,083,443	\$ 52,922,640	\$ 52,939,481	\$ 51,306,319	\$ 52,795,677
Restricted	4,726,376	4,243,239	2,284,947	17,827,177	7,489,048	2,034,916	1,077,646	3,786,893	3,703,143	2,734,375
Unrestricted	3,387,482	5,794,419	( 2,182,991)	4,499,786	5,219,212	5,766,947	1,752,035	4,226,806	6,021,844	8,734,904
Total primary government net position	<u>\$ 29,857,712</u>	<u>\$ 37,817,033</u>	<u>\$ 38,885,361</u>	<u>\$ 58,370,808</u>	<u>\$ 57,051,960</u>	<u>\$ 59,885,306</u>	<u>\$ 55,752,321</u>	<u>\$ 60,953,180</u>	<u>\$ 61,031,306</u>	<u>\$ 64,264,956</u>

Source: Annual financial reports

# Town of Westlake

## Changes in Net Position

### Last Ten Years

#### Accrual Basis of Accounting – Unaudited

## Exhibit S-2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 2,518,490	\$ 2,606,785	\$ 2,784,587	\$ 3,145,716	\$ 4,491,557	\$ 5,716,302	\$ 4,776,131	\$ 6,091,403	\$ 6,555,048	\$ 6,101,168
Public Safety	1,883,424	1,978,803	2,190,050	2,381,437	2,737,084	3,063,003	3,133,733	3,489,071	3,991,114	4,011,699
Cultural and Recreation	111,765	113,924	123,541	129,970	187,274	217,489	184,685	299,815	282,512	182,503
Public Works	216,901	267,973	955,794	1,081,996	1,102,636	1,634,549	1,820,908	1,368,049	1,326,090	1,297,821
Economic Development	546,039	626,423	147,680	171,757	141,779	163,578	469,852	306,982	150,037	-
Visitor Services	475,719	521,521	493,087	665,936	740,835	737,071	885,654	927,670	802,244	451,392
Education	6,193,560	5,803,611	7,147,411	8,598,261	9,516,287	8,566,295	6,568,453	9,523,906	9,979,674	9,972,935
Interest on long-term debt	897,573	1,031,328	998,951	1,022,201	990,413	1,401,199	1,184,818	1,131,485	1,103,925	1,141,125
Total governmental activities expenses	12,843,471	12,950,368	14,841,101	17,197,274	19,907,865	21,499,486	19,024,234	23,138,381	24,190,644	23,158,643
Business-type activities:										
Water and Sewer	3,098,466	3,356,466	3,690,137	4,861,529	5,519,116	4,893,075	7,049,946	7,544,125	6,407,650	5,184,455
Cemetery	6,282	5,328	7,121	7,297	7,831	8,021	9,754	10,628	21,734	8,438
Total business-type activities expenses	3,104,748	3,361,794	3,697,258	4,868,826	5,526,947	4,901,096	7,059,700	7,554,753	6,429,384	5,192,893
Total primary government program expenses	\$ 15,948,219	\$ 16,312,162	\$ 18,538,359	\$ 22,066,100	\$ 25,434,812	\$ 26,400,582	\$ 26,083,934	\$ 30,693,134	\$ 30,620,028	\$ 28,351,536
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Fees, fines, and charges for services:										
General Government	\$ 673,090	\$ 774,909	\$ 33,975	\$ 110,778	\$ 789,457	\$ 73,180	\$ 137,805	\$ 91,845	\$ 318,140	\$ 218,922
Public Safety	142,402	182,154	848,772	887,919	932,017	783,681	782,833	984,268	649,795	724,198
Public Works	407,328	659,246	1,022,769	936,245	1,789,776	3,338,541	2,027,613	5,419,039	1,587,839	2,251,832
Education	195,059	182,220	222,270	531,090	283,077	275,759	247,721	313,741	90,123	110,327
Operating grants and contributions	5,269,841	4,907,472	6,592,642	7,615,653	7,863,168	8,047,113	7,044,597	9,166,821	9,725,263	10,240,349
Capital grants and contributions	-	5,897,456	80,472	19,983,078	269,185	3,485,255	424,948	1,861,623	280,000	1,537,500
Total governmental activities program revenues	6,687,720	12,603,457	8,800,900	30,064,763	11,926,680	16,003,529	10,665,517	17,837,337	12,651,160	15,083,128
Business-type activities:										
Charges for services:										
Water and Sewer	2,934,842	3,157,332	3,428,702	3,549,775	3,968,086	4,815,635	5,794,818	5,374,118	6,410,755	6,217,154
Cemetery	4,500	5,510	7,749	13,620	11,115	9,964	29,440	30,745	67,578	25,145
Operating grants and contributions	24,423	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	50,000	1,271	54	-	-
Total business-type activities program revenues	2,963,765	3,162,842	3,436,451	3,563,395	3,979,201	4,875,599	5,825,529	5,404,917	6,478,333	6,242,299
Total primary government program revenues	\$ 9,651,485	\$ 15,766,299	\$ 12,237,351	\$ 33,628,158	\$ 15,905,881	\$ 20,879,128	\$ 16,491,046	\$ 23,242,254	\$ 19,129,493	\$ 21,325,427

# Town of Westlake

Changes in Net Position

Last Ten Years

Accrual Basis of Accounting – Unaudited

# Exhibit S-2

	<b>Fiscal Year</b>									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>NET (EXPENSE) REVENUES</b>										
Governmental activities	\$( 6,155,751)	\$( 346,911)	\$( 6,040,201)	\$ 12,867,489	\$( 7,981,185)	\$( 5,495,957)	\$( 8,358,717)	\$( 5,301,044)	\$( 11,539,484)	\$( 8,075,515)
Business-type activities	( 140,983)	( 198,952)	( 260,807)	( 1,305,431)	( 1,547,746)	( 25,497)	( 1,234,171)	( 2,149,836)	48,949	1,049,406
Total primary government net expense	<u>( 6,296,734)</u>	<u>( 545,863)</u>	<u>( 6,301,008)</u>	<u>11,562,058</u>	<u>( 9,528,931)</u>	<u>( 5,521,454)</u>	<u>( 9,592,888)</u>	<u>( 7,450,880)</u>	<u>( 11,490,535)</u>	<u>( 7,026,109)</u>
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes										
Sales	3,657,274	4,375,397	4,725,845	4,925,428	4,609,523	4,650,744	6,003,605	8,032,671	7,378,900	6,372,366
Property	1,441,238	1,366,633	1,367,069	1,438,969	1,476,355	1,576,750	1,629,640	1,956,630	2,411,279	2,708,091
Hotel Occupancy	590,853	709,578	796,481	872,179	822,490	751,601	849,167	861,710	369,145	222,937
Mixed Beverage	38,286	39,727	51,602	59,184	61,476	68,432	62,347	66,923	41,949	23,269
Franchise	664,991	734,935	795,322	963,040	930,043	818,423	779,506	964,239	972,520	735,263
Investment earnings	33,353	24,218	26,713	28,904	55,600	182,095	356,076	517,128	260,003	38,381
Miscellaneous	1,112,858	1,023,149	246,633	198,199	241,501	278,071	215,076	142,230	72,688	91,890
Transfers	45,507	( 485,591)	43,399	323,100	264,578	169,316	71,466	207,213	77,158	205,014
Extraordinary item	( 124,346)	-	-	-	-	-	-	-	-	-
Special item	67,760	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>7,527,774</u>	<u>7,788,046</u>	<u>8,053,064</u>	<u>8,809,003</u>	<u>8,461,566</u>	<u>8,495,432</u>	<u>9,966,883</u>	<u>12,748,744</u>	<u>11,583,642</u>	<u>10,397,211</u>
Business-type activities:										
Investment earnings	10,077	6,552	7,114	7,083	13,095	28,684	79,961	110,208	62,177	11,439
Miscellaneous	84,780	224,995	-	-	-	-	-	-	-	-
Transfers	( 45,507)	485,591	( 43,399)	( 323,100)	( 264,578)	( 169,316)	( 71,466)	( 207,213)	( 77,158)	( 205,014)
Total business-type activities	<u>49,350</u>	<u>717,138</u>	<u>( 36,285)</u>	<u>( 316,017)</u>	<u>( 251,483)</u>	<u>( 140,632)</u>	<u>8,495</u>	<u>( 97,005)</u>	<u>( 14,981)</u>	<u>( 193,575)</u>
Total primary government	<u>7,577,124</u>	<u>8,505,184</u>	<u>8,016,779</u>	<u>8,492,986</u>	<u>8,210,083</u>	<u>8,354,800</u>	<u>9,975,378</u>	<u>12,651,739</u>	<u>11,568,661</u>	<u>10,203,636</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	1,372,023	7,441,135	2,012,863	21,676,492	480,381	2,999,475	1,608,166	7,447,700	44,158	2,321,696
Business-type activities	( 91,633)	518,186	( 297,092)	( 1,621,448)	( 1,799,229)	( 166,129)	( 1,225,676)	( 2,246,841)	33,968	855,831
Total primary government	<u>\$ 1,280,390</u>	<u>\$ 7,959,321</u>	<u>\$ 1,715,771</u>	<u>\$ 20,055,044</u>	<u>\$ ( 1,318,848)</u>	<u>\$ 2,833,346</u>	<u>\$ 382,490</u>	<u>\$ 5,200,859</u>	<u>\$ 78,126</u>	<u>\$ 3,177,527</u>

Source Annual financial reports

**Town of Westlake**
**Exhibit S-3**

Fund Balances

Governmental Funds

Last Ten Years

Modified Accrual Basis of Accounting – Unaudited

	<i>Fiscal Year</i>									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General fund</b>										
Nonspendable:										
Prepaid items	\$ 6,856	\$ 6,906	\$ 8,821	\$ 13,334	\$ 12,794	\$ 18,705	\$ 19,253	\$ 19,302	\$ 41,586	\$ 38,889
Restricted for:										
Court security and technology	192,768	194,422	193,082	203,173	238,636	219,693	203,173	237,804	203,173	239,576
Committed for:										
Future projects	49,941	74,941	80,442	80,442	335,322	335,392	80,442	80,442	80,442	80,442
Assigned for:										
Future equipment	22,000	24,000	-	-	-	-	-	-	-	-
Unassigned	4,992,240	6,751,362	7,671,173	7,383,601	9,092,721	10,363,702	10,493,380	14,900,650	16,265,309	17,854,010
<b>Total general fund</b>	<b>\$ 5,263,805</b>	<b>\$ 7,051,631</b>	<b>\$ 7,953,518</b>	<b>\$ 7,680,550</b>	<b>\$ 9,679,473</b>	<b>\$ 10,937,492</b>	<b>\$ 10,796,248</b>	<b>\$ 15,238,198</b>	<b>\$ 16,590,510</b>	<b>\$ 18,212,917</b>
<b>All other governmental funds</b>										
Nonspendable										
Prepaid items	\$ 60,963	\$ 62,635	\$ 80,118	\$ 83,359	\$ 68,718	\$ 243,401	\$ 56,397	\$ 196,074	\$ 83,440	\$ 156,157
Restricted for:										
Tourism	1,052,546	1,025,891	1,107,520	1,081,009	1,003,636	791,308	781,775	734,938	416,064	97,684
Future projects	3,594,379	10,370,914	1,751,405	13,632	13,679	13,789	14,141	14,543	14,719	14,813
Debt service	22,657	1,482	1,081	20,916	30,468	11,963	28,798	44,683	150,518	103,993
Education	758,127	931,094	993,998	1,592,227	1,098,359	729,709	1,068,117	1,323,663	1,685,116	1,898,618
Economic development	178,384	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	17,713,788	8,501,489	15,080,456	7,292,917	6,070,774	4,580,448	8,467,427
<b>Total all other governmental funds</b>	<b>\$ 5,667,056</b>	<b>\$ 12,392,016</b>	<b>\$ 3,934,122</b>	<b>\$ 20,504,931</b>	<b>\$ 10,716,349</b>	<b>\$ 16,870,626</b>	<b>\$ 9,242,145</b>	<b>\$ 8,384,675</b>	<b>\$ 6,930,305</b>	<b>\$ 10,738,692</b>

Source: Annual financial reports

**Town of Westlake**
**Exhibit S-4**

Changes in Fund Balances

Governmental Funds

Last Ten Years – Continued

Modified Accrual Basis of Accounting – Unaudited

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>REVENUES</b>										
Taxes	\$ 6,393,472	\$ 7,226,180	\$ 7,722,606	\$ 8,252,748	\$ 7,902,983	\$ 7,867,015	\$ 9,321,321	\$ 11,881,784	\$ 11,174,378	\$ 10,065,684
Licenses, fees and permits	598,394	944,735	1,175,075	1,200,790	2,715,236	3,521,686	2,314,933	5,873,529	1,996,834	2,612,098
Fines and penalties	622,338	695,167	730,441	734,152	796,014	673,716	633,318	616,451	492,435	582,854
State program revenues	4,369,635	4,696,540	5,269,641	6,173,418	6,543,782	6,603,358	7,217,383	7,415,219	8,011,061	8,482,552
Federal program revenues	152,351	81,958	80,103	87,797	98,564	140,152	114,797	110,248	137,910	121,678
Investment earnings	33,353	24,218	26,713	28,904	55,600	182,095	356,076	517,128	260,003	38,381
Contributions	732,535	5,916,014	82,446	18,785,953	283,684	728,887	494,131	1,253,200	292,860	1,800,000
Other revenues	1,323,237	1,274,826	1,665,003	2,471,191	1,542,835	2,863,801	1,735,201	1,804,309	1,837,744	1,512,867
Total revenues	14,225,315	20,859,638	16,752,028	37,734,953	19,938,698	22,580,710	22,187,160	29,471,868	24,203,225	25,216,114
<b>EXPENDITURES</b>										
General government	1,878,885	1,910,545	2,236,360	2,411,239	3,280,507	4,596,827	3,672,933	5,330,174	5,169,039	5,052,010
Public safety	2,224,469	1,967,584	2,146,587	2,490,551	2,453,857	2,684,244	2,992,727	3,269,778	3,512,456	3,546,694
Cultural and recreation	111,765	113,924	123,541	130,322	185,923	164,720	183,816	272,146	264,248	182,253
Public works	391,115	532,675	615,781	744,028	773,751	784,279	675,550	593,830	622,307	601,562
Economic development	243,939	296,565	147,685	171,757	141,779	163,578	469,852	306,982	203,407	-
Visitor services	475,719	521,521	493,082	670,157	725,971	717,055	875,322	904,689	781,883	448,414
Education	6,193,560	5,762,652	7,143,678	7,938,501	9,245,592	8,819,174	9,012,348	8,996,714	9,845,685	9,557,739
Capital Outlay	1,110,476	7,601,631	9,964,047	5,274,282	9,561,954	7,082,844	9,407,447	3,525,437	1,627,548	1,129,642
Capital Project										
Debt service										
Principal	668,000	2,955,000	1,004,677	1,130,762	1,150,490	1,124,697	1,555,677	1,766,131	1,837,638	1,883,135
Interest and other fiscal charges	952,027	830,425	1,116,489	977,412	947,411	1,105,376	1,182,679	1,128,720	1,103,853	1,052,653
Bond issuance cost	148,891	185,699	69,283	-	-	368,278	-	-	-	130,029
Total expenditures	14,398,846	22,678,221	25,061,210	21,939,011	28,467,235	27,611,072	30,028,351	26,094,601	24,968,064	23,584,131
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>										
	\$( 173,531)	\$( 1,818,583)	\$( 8,309,182)	\$ 15,795,942	\$( 8,528,537)	\$( 5,030,362)	\$( 7,841,191)	\$ 3,377,267	\$( 764,839)	\$ 1,631,983

# Town of Westlake

# Exhibit S-4

## Changes in Fund Balances

### Governmental Funds

### Last Ten Years – Continued

### Modified Accrual Basis of Accounting – Unaudited

	Fiscal Year											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
<b>OTHER FINANCING</b>												
<b>SOURCES (USES):</b>												
Sale of assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Issuance of debt	-	8,294,800	-	-	-	-	-	-	-	-	-	
Premium on CO issued	-	284,437	-	-	-	-	-	-	-	-	249,742	
Refunding bonds issued	7,799,196	2,200,000	1,910,000	-	-	5,795,000	-	-	-	-	4,430,000	
Premium on refunding bonds issued	-	37,723	84,598	-	-	1,020,809	-	-	-	-	337,298	
Payments to bond escrow agent	( 7,650,305)	-	( 1,925,315)	-	-	( 6,452,467)	-	-	-	-	( 4,694,366)	
Issuance of capital lease	-	-	239,009	16,740	474,300	-	-	-	585,623	-	-	
Notes payable issued	-	-	401,484	162,059	-	-	-	-	-	-	-	
Certificate of obligations issued	-	-	-	-	-	10,710,000	-	-	-	-	3,215,000	
Special item	67,760	40,959	-	-	-	-	-	-	-	-	-	
Extraordinary item	( 124,346)	( 40,959)	-	-	-	-	-	-	-	-	-	
Transfers in	2,121,099	2,104,929	3,094,211	4,617,896	2,485,227	3,621,066	3,949,085	3,902,325	2,673,972	3,155,275		
Transfers out	( 2,075,592)	( 2,590,520)	( 3,050,812)	( 4,294,796)	( 2,220,649)	( 3,451,750)	( 3,877,619)	( 3,695,112)	( 2,596,814)	( 2,950,261)		
Total other financing sources (uses)	137,812	10,331,369	753,175	501,899	738,878	12,442,658	71,466	207,213	662,781	3,742,688		
<b>NET CHANGES IN FUND BALANCES</b>	<b><u><math>(35,719)</math></u></b>	<b><u>\$ 8,512,786</u></b>	<b><u><math>(7,556,007)</math></u></b>	<b><u>\$ 16,297,841</u></b>	<b><u><math>(7,789,659)</math></u></b>	<b><u>\$ 7,412,296</u></b>	<b><u><math>(7,769,725)</math></u></b>	<b><u>\$ 3,584,480</u></b>	<b><u><math>(102,058)</math></u></b>	<b><u>\$ 5,374,671</u></b>		
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>12.5%</b>	<b>25.3%</b>	<b>14.4%</b>	<b>12.8%</b>	<b>11.1%</b>	<b>12.4%</b>	<b>12.9%</b>	<b>13.0%</b>	<b>12.5%</b>	<b>13.1%</b>		

Source: Annual Financial Reports

**Town of Westlake****Exhibit S-5**

Assessed Value and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 Modified Accrual Basis of Accounting – Unaudited

<b>Fiscal Year</b>	<b>Appraised Value</b>			<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>				
2012	\$ 1,016,474,604	\$ 85,329,823		\$ 156,315,552	\$ 945,488,875	0.15684
2013	1,099,249,031	122,792,343		335,814,215	886,227,159	0.15684
2014	1,091,142,760	151,927,427		346,730,543	896,339,644	0.15634
2015	1,123,354,430	139,936,507		342,248,275	921,042,662	0.15634
2016	1,175,230,336	107,537,466		336,770,136	945,997,666	0.15634
2017	1,468,274,115	132,422,540		437,293,366	1,163,403,289	0.13695
2018	1,517,833,356	133,680,163		442,433,216	1,209,080,303	0.13615
2019	1,558,408,769	139,762,420		400,628,631	1,297,542,558	0.15600
2020	1,388,137,170	121,646,081		322,005,656	1,187,777,595	0.16018
2021	2,042,984,947	161,717,042		564,511,494	1,640,190,495	0.16788

Source: Tarrant County Appraisal District  
 Denton Central Appraisal District

## Town of Westlake

### Principal Property Tax Payers

Current and Nine Years Ago – Unaudited

## Exhibit S-6

2021				2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
FMR Texas, LLC/LTD Partnership	\$ 117,339,367	1	7.15%	Maguire Thomas Partners, et al	\$ 150,235,546	1	15.85%
SOL Westlake	101,885,372	2	6.21%	FMR Texas, LLC/LTD Partnership	77,754,274	2	8.20%
Cellco Partnership	69,502,321	3	4.24%	DCLI, LLC	76,847,119	3	8.11%
DCLI, LLC	48,435,854	4	2.95%	Corelogic Real Estate	18,050,838	4	1.90%
Maguire Partners - Solana Land LP	36,743,533	5	2.24%	Lexington TNI Westlake LP	16,560,450	5	1.75%
HMC Solana LLC	36,573,910	6	2.23%	Marsh USA, Inc.	10,030,377	6	1.06%
Marsh USA, Inc.	30,272,476	7	1.85%	First American Leasing	8,804,230	7	0.93%
CS Kinross Lane Parkway LLC	29,501,528	8	1.80%	Levi Strauss & Co.	8,637,483	8	0.91%
Quail Hollow Development II LLC	28,399,758	9	1.73%	Westlake Terra, LLC	6,808,002	9	0.72%
Marsh USA, Inc.	19,667,540	10	1.20%	Louco Investment Partners LP	6,467,500	10	0.68%
<b>Total</b>	<b>\$ 518,321,659</b>		<b>31.60%</b>	<b>Total</b>	<b>\$ 380,195,819</b>		<b>40.11%</b>

Source: Tarrant County Appraisal District

Note: (1) Prior to fiscal year ended September 30, 2011, the Town of Westlake did not assess an ad valorem tax.

(2) Total Taxable Assessed Value including real and personal property for tax year 2012 (fiscal year 2013) is \$886,277,159.

(3) Total Taxable Assessed Value including real and personal property for tax year 2020 (fiscal year 2021) is \$1,640,190,459.

**Town of Westlake****Exhibit S-7**

Property Tax Levies and Collections  
Last Ten Fiscal Years – Unaudited

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>		<b>Adjusted Taxes Levied for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections Net of Refunds in Subsequent Years</b>	<b>Total Collections to Date</b>	
	<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2012	\$ 1,486,968	\$( 47,220)	\$ 1,439,748	\$ 1,437,908	99.87%	\$ 1,453	\$ 1,439,361	99.97%
2013	1,398,777	(45,297)	1,353,480	1,352,097	99.90%	1,001	1,353,098	99.97%
2014	1,405,819	(44,761)	1,361,058	1,350,639	99.23%	10,050	1,360,689	99.97%
2015	1,450,674	(43,948)	1,406,726	1,405,148	99.89%	1,464	1,406,612	99.99%
2016	1,482,989	(40,244)	1,442,745	1,441,536	99.92%	1,209	1,442,745	100.00%
2017	1,573,803	(33,281)	1,540,522	1,536,921	99.77%	3,426	1,540,347	99.99%
2018	1,661,110	(30,810)	1,630,300	1,624,655	99.65%	5,277	1,629,932	99.98%
2019	2,007,359	(31,840)	1,975,519	1,953,575	98.89%	21,563	1,975,138	99.98%
2020	2,365,878	34,399	2,400,277	2,392,470	99.67%	2,359	2,394,829	99.77%
2021	2,369,205	335,571	2,704,776	2,699,328	99.80%	-	2,699,328	99.80%

Source: Tarrant County Appraisal District  
Denton Central Appraisal District

## Town of Westlake

## Exhibit S-8

Direct and Overlapping Property Tax Rates  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years – Unaudited

Fiscal Year	Town Direct Rates			Overlapping Rates								
	Operating/ General Fund	Debt Service Fund	Total (A) Direct	School Districts			Counties		Tarrant County College Dist	Tarrant County Hospital Dist.	Trophy Club MUD #1	Total Direct and Overlapping
				Carroll ISD	Northwest ISD	Keller ISD	Denton County	Tarrant County				
2012	0.13835	0.01849	0.15684	1.41500	1.37500	1.54000	0.28287	0.26400	0.14897	0.22790	0.17500	5.58557
2013	0.14197	0.01487	0.15684	1.40000	1.37500	1.54000	0.28287	0.26400	0.14897	0.22790	0.13339	5.52896
2014	0.13710	0.01924	0.15634	1.40000	1.45250	1.54000	0.27220	0.26400	0.14950	0.22790	0.13339	5.59583
2015	0.13710	0.01924	0.15634	1.40000	1.45250	1.54000	0.27220	0.26400	0.14950	0.22790	0.13339	5.59583
2016	0.13947	0.01687	0.15634	1.40000	1.45250	1.54000	0.27220	0.26400	0.14950	0.22790	0.13339	5.59583
2017	0.12882	0.00813	0.13695	1.39000	1.45250	1.52000	0.24841	0.25400	0.14473	0.22790	0.12722	5.50171
2018	0.11133	0.02482	0.13615	1.38500	1.49000	1.52000	0.23781	0.24400	0.14006	0.22443	0.12021	5.49766
2019	0.13201	0.02399	0.15600	1.38000	1.49000	1.51000	0.22557	0.02340	0.13607	0.22443	0.11618	5.26165
2020	0.11453	0.04565	0.16018	1.30000	1.42000	1.40830	0.22528	0.23400	0.13607	0.22443	0.11618	5.22444
2021	0.12490	0.04298	0.16788	1.28640	1.33630	1.39470	0.22499	0.23400	0.13017	0.22443	0.10774	5.10661

Notes: Prior to fiscal year ended September 30, 2011, the Town of Westlake did not assess an ad valorem tax.

Overlapping rates are those of local and county governments that apply to property owners within the Town of Westlake. Not all overlapping rates apply to all Town's property owners (e.g., the rates for the counties and school districts apply only to the proportion of the Town's property owners whose property is located within the geographic boundaries of the county and school district)

Source: Tarrant County Appraisal District  
Denton Central Appraisal District

**Town of Westlake**
**Exhibit S-9**
**Taxable Sales by Industry Type  
Last Ten Fiscal Years – Unaudited**

NAICS	Industry Type	Fiscal Year									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
11	Agriculture, Forestry, Fishing and Hunting	\$ 38	\$ 163	\$ 731	\$ 775	\$ 2,083	\$ 1,685	\$ 4,303	\$ 336	\$ 196	\$ 808
21	Mining	3,050	335	15	714	655	128	5	-	11	20
22	Utilities	171,131	176,622	204,280	191,031	138,331	147,000	180,564	183,347	179,545	206,392
23	Construction	139,000	365,049	239,888	216,546	230,067	340,077	1,294,092	2,249,378	1,385,998	667,542
31-33	Manufacturing	526,755	295,660	375,905	234,651	209,128	86,798	113,487	284,939	350,447	343,715
42	Wholesale Trade	134,466	59,571	421,371	515,602	356,946	339,854	278,054	533,723	406,321	597,218
44-45	Retail	1,106,427	1,132,811	962,244	1,332,659	415,356	458,833	428,355	523,021	737,764	942,782
48-49	Transportation and Warehousing	1,156	3,662	1,962	3,550	1,107	1,133	567	624	1,723	731
51	Information	367,298	378,221	623,828	567,685	551,172	387,714	817,086	793,755	764,753	1,985,535
52	Financial and Insurance	27,857	75,529	505,585	295,622	754,386	509,201	709,787	835,150	352,872	141,787
53	Real Estate and Rental and Leasing	215,754	457,693	493,570	708,747	940,971	999,118	675,273	928,259	884,229	174,719
54	Professional, Scientific, and Technical Services	221,331	536,971	242,069	193,145	287,066	261,704	309,704	519,447	596,913	1,014,951
56	Admin and Support and Waste Mgmt & Rem Srv	39,027	110,686	103,340	50,264	125,033	85,430	93,967	98,927	76,437	154,815
61	Education Services	356,689	373,117	153,279	201,761	230,775	220,078	555,159	577,530	424,882	153,277
62	Health Care and Social Assistance	106	251	11,018	2,887	228	398	999	592	692	673
71	Arts, Entertainment and Recreation	204,456	184,687	191,343	189,027	201,391	241,107	216,403	266,915	460,281	379,180
72	Accommodation and Food Services	93,123	204,044	221,061	246,755	230,615	233,769	228,003	226,361	122,585	135,043
81	Other Services (except Public Administration)	9,805	13,156	17,412	8,965	3,167	2,963	2,772	2,329	4,285	4,089
92	Public Administration	135	295	27,243	-	-	1	1,391	1,656	1,717	2,427
		\$ 3,617,604	\$ 4,368,523	\$ 4,796,144	\$ 4,960,386	\$ 4,678,477	\$ 4,316,991	\$ 5,909,966	\$ 8,026,289	\$ 6,751,651	\$ 6,905,704
	Town direct sales tax rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the Town's sales tax revenue

Source: Texas State Comptroller reports

## Town of Westlake

## Exhibit S-10

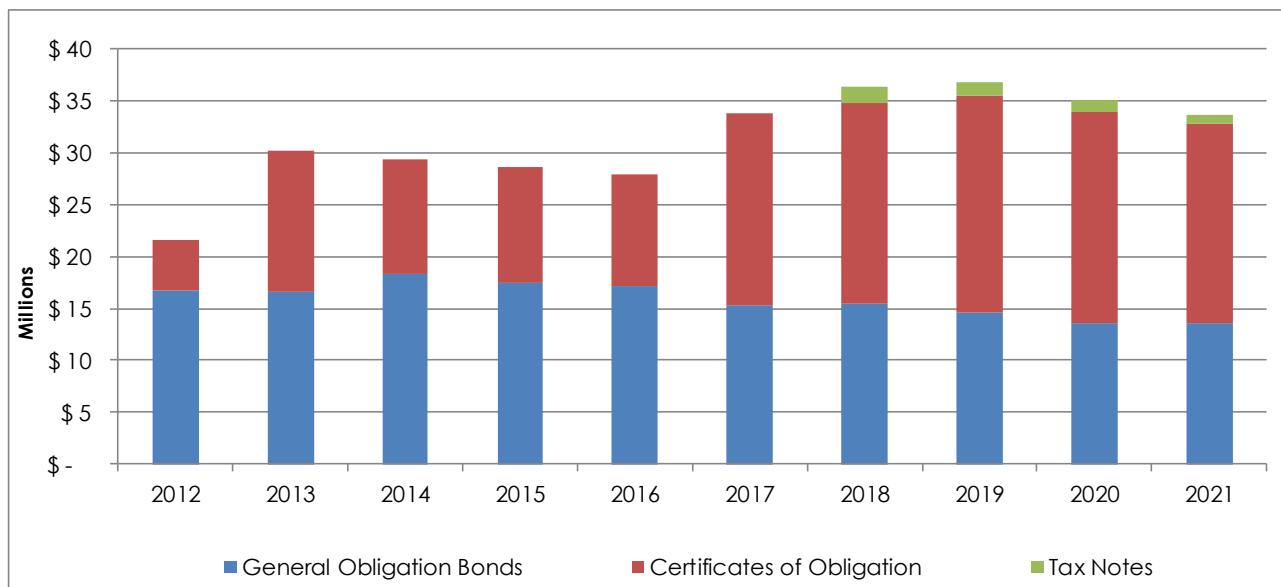
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years – Unaudited

Fiscal Year	General Bonded Debt Outstanding					Percentage of Actual Taxable Sales	Per Capita		
	General Obligation		Certificates of Obligation						
	Bonds		Tax Notes		Total				
2012	\$ 16,770,000	\$ 4,877,000	\$ -	\$ 21,647,000	11.84%	19,519			
2013	16,590,000	13,622,000	-	30,212,000	13.81%	26,271			
2014	18,260,000	11,044,000	-	29,304,000	12.40%	24,750			
2015	17,480,000	11,046,131	-	28,526,131	11.58%	22,409			
2016	17,091,659	10,739,306	-	27,830,965	11.30%	20,080			
2017	15,267,000	18,460,700	1,530,000	33,727,700	14.50%	22,697			
2018	15,457,018	19,361,251	1,328,000	36,146,269	15.54%	23,200			
2019	14,504,400	20,957,422	1,116,000	36,577,822	12.19%	22,719			
2020	13,512,294	20,341,544	901,000	34,754,838	9.42%	20,886			
2021	13,582,994	19,149,872	682,000	33,414,866	10.49%	18,160			

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

There was no debt issued until fiscal year 2002.

See Table 13 for personal income and population data.



## Town of Westlake

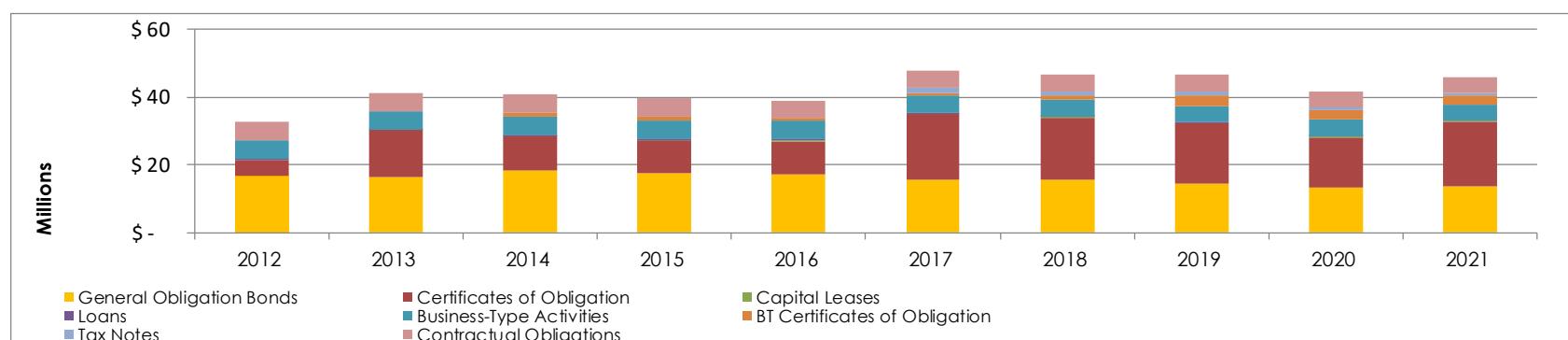
## Exhibit S-11

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years – Unaudited

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Leases	Loans	Other Contractual Obligations	Certificates of Obligation						
2012	\$ 16,770,000	\$ 4,877,000	\$ -	\$ 34,075	\$ 5,498,668	\$ -	\$ 27,179,743	20%	24,508				
2013	16,590,000	13,622,000	-	18,150	5,412,149	-	35,642,299	24%	30,993				
2014	18,260,000	10,029,800	-	237,378	437,253	5,320,824	1,014,200	35,299,455	22%	25,576			
2015	17,480,000	9,759,250	-	154,347	357,041	5,226,294	1,286,881	34,263,813	23%	32,150			
2016	17,091,659	9,736,953	-	563,045	275,101	5,126,958	971,300	33,765,016	19%	29,812			
2017	15,457,018	19,361,251	1,328,000	162,004	238,404	5,156,839	949,300	42,652,816	23%	28,703			
2018	15,457,018	18,432,779	1,328,000	162,004	201,737	4,913,865	956,009	41,451,412	20%	28,308			
2019	14,504,400	17,930,135	1,116,000	-	165,050	4,800,109	3,027,287	41,542,981	20%	28,765			
2020	13,512,294	14,424,079	901,000	398,012	128,373	4,679,944	2,917,465	36,961,167	17%	23,246			
2021	13,582,994	19,149,872	682,000	152,921	91,696	4,679,944	2,802,643	41,142,070	17%	22,008			

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements. No debt was issued until fiscal year 2000.

See Table 13 for personal income and population data.



**Town of Westlake****Exhibit S-12**

Direct and Overlapping Governmental Activities Debt  
As of September 30, 2021 – Unaudited

<b>Taxing Body</b>	<b>Amount of Debt Outstanding</b>	<b>As of</b>	<b>Overlapping</b>	
			<b>Percent (1)</b>	<b>Amount</b>
Carroll ISD	\$ 329,880,000	9/30/2021	6.89%	\$ 22,728,732
Denton County	571,605,000	9/30/2021	0.03%	171,482
Keller ISD	877,564,989	9/30/2021	4.06%	35,629,139
Northwest ISD	1,223,981,739	9/30/2021	1.90%	23,255,653
Tarrant County	213,675,000	9/30/2021	0.71%	1,517,093
Tarrant County College District	255,995,000	9/30/2021	0.71%	1,817,565
Tarrant County Hospital District	14,495,000	9/30/2021	0.71%	102,915
Trophy Club MUD#1	6,395,000	9/30/2021	30.46%	<u>1,947,917</u>
Total Overlapping Debt				87,170,496
Town of Westlake Outstanding Debt				<u>33,659,483</u>
Total Direct & Overlapping Debt				<u>\$ 120,829,979</u>

Source: Texas Municipal Report prepared by employees of the Municipal Advisory Council of Texas ("MAC")

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Westlake. This process recognized that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the resident 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 percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the Town's boundaries and dividing it by the entities' total taxable assessed value.

**Town of Westlake****Exhibit S-13**

Demographic and Economic Statistics  
Last Ten Fiscal Years – Unaudited

Year	Population	Income	Income	Age	Enrollment	Rate
2012	1109	\$ 112,697	\$ 138,423,531	41.8	630	6.0%
2013	1,150	114,951	147,292,890	41.4	658	5.0%
2014	1,184	117,250	160,462,095	41.2	697	4.0%
2015	1,273	119,595	144,111,592	41.8	812	4.1%
2016	1,386	121,987	173,419,076	41.7	825	3.2%
2017	1,486	124,427	162,998,462	41.5	830	3.4%
2018	1,558	126,915	197,733,767	41.2	856	3.4%
2019	1,610	129,453	208,420,020	41.2	869	3.1%
2020	1,664	132,042	219,718,715	42.8	890	7.7%
2021	1,840	134,683	247,817,359	45.6	856	4.1%

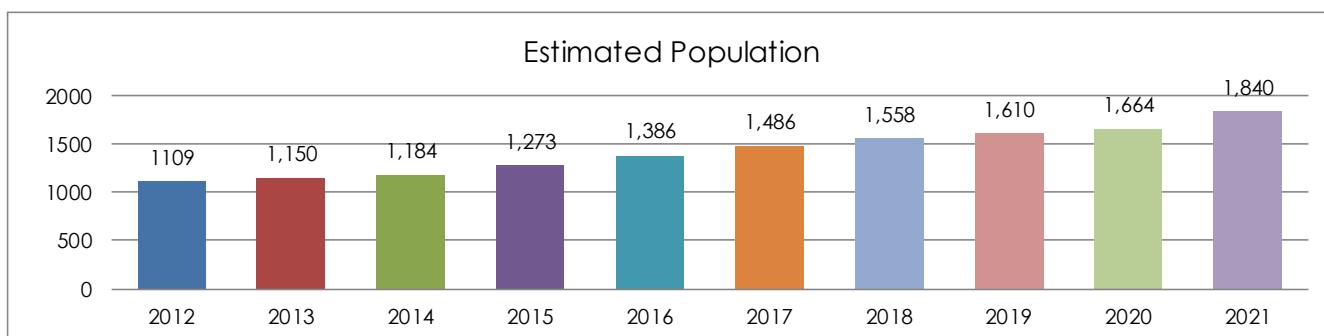
Sources: Tarrant County Unemployment Rate information taken from Texas Workforce Commission.

Municipal Advisory Council of Texas - Population

USA.com - Per Capita Income source

North Central Texas Council of Governments

United States Census - Median Age



## Town of Westlake

Principal Employers

Current and Ten Years Ago – Unaudited

## Exhibit S-14

2021		
Employer	Employees	Percentage of Estimated Total Town Employment
Schwab	7,000	34.87%
Fidelity Investments	6,716	33.45%
Sabre JLL Facilities	1,380	6.87%
Wells Fargo	617	3.07%
Core-Mark	560	2.79%
Deloitte	500	2.49%
Robinhood	478	2.38%
Verizon	405	2.02%
Goosehead Insurance	391	1.95%
Solera	261	1.30%
Defi Solutions	214	1.07%
Sound Physicians	173	0.86%
Town of Westlake/Westlake Academy	151	0.75%
All Other Businesses	1,229	6.12%
<b>Total</b>	<b>20,075</b>	<b>100%</b>

2012		
Employer	Employees	Percentage of Estimated Total Town Employment
Fidelity Investments	4,724	50.39%
Core Logic	1,790	19.10%
Wells Fargo	580	6.19%
TD Auto Finance	595	6.35%
McKesson Corporation	208	2.22%
Sabre JLL Facilities	196	2.09%
Walco International	159	1.70%
Vaquero Club	135	1.44%
Marriott Solana Hotel	124	1.32%
Town of Westlake/Westlake Academy	94	1.00%
Levi Strauss	70	0.75%
All Other Businesses	699	7.46%
<b>Total</b>	<b>9,374</b>	<b>100%</b>

Source: Cushman & Wakefield tenant records and contact with employers of the Town

## Town of Westlake

## Exhibit S-15

Full-Time Equivalent Town Government Employees  
by Function/Program  
Last Ten Fiscal Years – Unaudited

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Town Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Town Manager	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Assistant Town Manager	0.00	0.75	0.90	1.00	0.90	1.00	1.00	1.00	1.00	1.00
Assistant to Town Manager	0.75	0.00	0.00	0.00	0.50	0.50	0.75	0.00	1.00	0.00
Administrative	0.75	1.00	0.50	0.50	0.00	1.50	1.00	1.00	1.00	1.00
Planning and Development	1.33	1.50	1.66	1.66	3.17	4.00	4.00	4.00	4.00	4.00
Town Secretary	1.00	1.00	1.00	1.25	1.25	1.50	1.50	1.50	1.00	1.00
Facilities/Grounds maintenance	0.83	1.00	1.09	1.34	1.58	0.50	1.75	1.00	0.83	0.83
Municipal	3.75	4.75	5.10	5.00	4.60	4.00	3.50	4.25	4.75	4.75
Finance	3.00	3.00	4.00	4.00	4.25	4.00	4.00	4.00	3.00	5.00
Payroll/Human Resources	1.33	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Information Technology	0.00	0.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Public safety (EMS)	9.00	10.00	13.25	14.25	14.25	11.00	15.50	15.50	15.00	18.00
Culture and recreation	0.50	0.75	0.84	0.84	0.84	0.50	0.50	1.00	0.83	0.83
Public works	2.00	3.00	2.66	2.66	2.67	3.00	4.00	4.00	4.33	4.33
Marketing and public affairs	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Education	67.48	76.18	91.18	93.65	95.31	95.05	98.00	95.00	100.26	103.51
Total	93.72	106.93	128.18	132.15	135.32	132.55	142.50	140.25	145.00	151.25

Source: Prior Town budgets and Academy personnel records

Note: A full time municipal employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Fulltime equivalent employment is calculated by dividing total labor hours by 2,080. A full time education employee is scheduled to work 1,122 hours per year.

**Town of Westlake**  
 Operating Indicators  
 by Function/Program  
 Last Ten Fiscal Years – Unaudited

**Exhibit S-16**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Permits issued	85	132	144	159	218	217	259	250	193	221
Permit values	\$ 29,481,047	\$ 50,544,048	\$ 59,358,904	\$ 80,011,354	\$ 87,307,794	\$ 262,690,940	\$ 311,013,915	\$ 332,197,798	\$ 65,739,881	\$ 109,039,264
Police (Contract with Keller PD)										
Motor vehicle stops	12,221	9,993	9,579	10,432	11,109	10,718	8,339	7,729	7,457	7,049
Traffic accident investigations	343	322	341	398	461	386	333	327	219	254
Part I crimes	39	9	15	20	13	22	31	14	48	48
DWI arrests	50	69	55	62	66	70	50	25	33	36
Fire/EMS										
Fire runs	181	238	211	211	257	248	320	235	308	371
Ambulance runs	266	286	240	253	288	269	202	206	128	272
Inspections	54	96	286	261	246	290	188	227	103	165
Public Works - General										
Street resurfacing (LF)	30,000	-	-	-	-	6,000	-	-	5,012	8,820
Potholes repaired	6	2	6	20	20	10	5	8	10	15
Public Works - Utility										
Number of water accounts	568	614	651	713	752	810	835	762	773	853
Water main breaks	4	3	1	1	-	-	1	2	4	2
Avg daily consumption MG (water)	1.100	1.090	1.045	1.021	1.122	1.233	1.400	1.209	1.000	1.250
Peak daily consumption MG (water)	2.600	2.480	2.690	2.770	1.586	1.646	1.564	2.709	2.709	2.789
System capacity - MG (water)	1.685	1.685	2.685	2.685	2.685	2.685	2.685	2.685	2.685	2.685
Water purchased (in gallons x 000)	407,305	401,457	381,482	372,838	409,817	450,208	510,931	441,352	462,529	248,329
Water sold (in gallons x 1000)	376,496	357,297	347,148	360,000	350,000	419,520	470,168	422,635	492,376	463,536
Wastewater										
Number of new sewer connections	292	325	350	384	403	454	503	541	545	579
Avg daily sewage treatment (thousands of gallons)	0.136	0.151	0.208	0.166	0.132	0.176	1.171	1.171	0.210	0.191

Source: Various Town departments

Notes: N/A represents information that is unavailable.

**Town of Westlake**  
 Capital Asset Statistics  
 by Function/Program  
 Last Ten Fiscal Years – Unaudited

**Exhibit S-17**

Function/Program	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Fire Stations	1	1	1	1	1	1	1	1	1	1	
Public Works - Utility											
Pump station	1	1	1	1	1	1	1	1	1	1	
Lift station	3	3	3	3	3	3	3	3	3	3	
Telecommunications Duct Bank (LF)	57,783	57,783	59,936	66,084	66,084	82,231	82,231	82,231	86,711	86,711	
Telecommunications Duct Bank Manholes	122	122	122	140	140	140	140	140	160	160	
Water											
Water mains (LF)	137,891	137,891	142,694	148,117	148,117	181,393	181,393	181,393	188,387	188,387	
Fire hydrants	191	191	201	214	214	256	256	256	267	267	
Storage capacity MG	1,685	1,685	2,685	2,685	2,685	2,685	2,685	2,685	2,685	2,685	
Wastewater											
Sanitary sewers (LF)	94,000	94,000	98,964	104,373	104,373	123,168	123,168	123,168	128,923	128,923	
Manholes	304	304	326	355	355	444	444	444	467	467	
Public Works - Utility											
Streets (miles)	10.25	10.25	10.25	10.50	10.42	10.42	10.42	10.84	10.84	10.84	
Traffic signals (school zone flashers)	2	2	2	2	2	2.0	2.0	2.0	2.0	4.0	
Parks and recreation											
Open Space (acres)	25	25	27	27	27	27.0	27.0	27.0	27.0	27.0	
Playgrounds	2	2	2	2	2.0	2.0	2.0	2.0	2.0	2.0	
Softball/soccer field	1	1	1	1	1.0	1.0	1.0	1.0	1.0	1.0	
Football field	1	1	1	1	1.0	1.0	1.0	1.0	1.0	1.0	
Public trails (miles)	5.0	5.0	7.0	8.5	8.5	8.5	15.0	16.0	16.0	16.0	

Source: Various Town departments

Note: No capital asset indicators are available for the general government.