

Town of Westlake Quarterly Financial Analysis

Summary

Overview

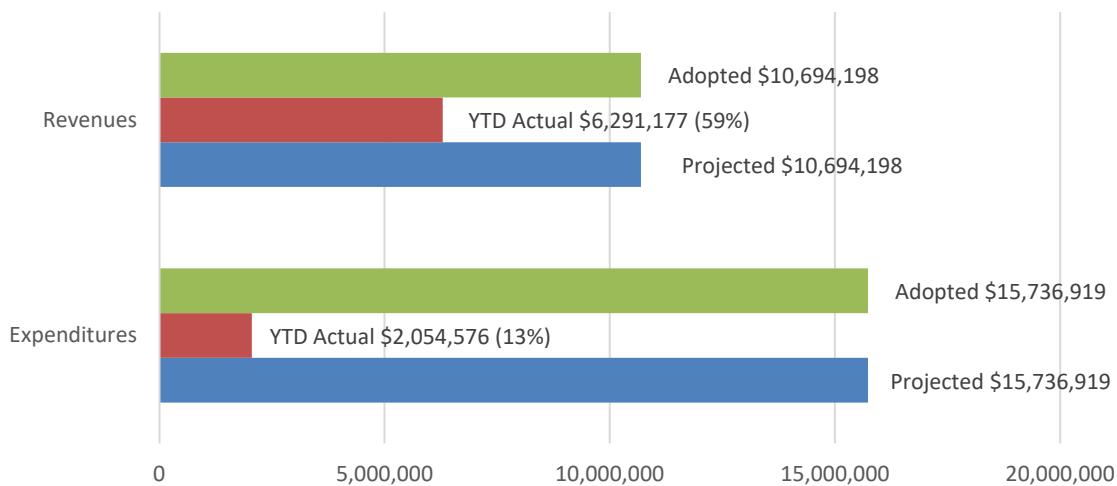
The Town of Westlake adopted a total operating budget with \$27m projected in revenue and \$33m planned expenditures, intending to use \$5m of available fund balance for fiscal year 2022-2023. The Town operates fund-based accounting, or separate self-balancing accounts for specific purposes. For the purposes of the quarterly report, only major funds are included in the narrative summary. Budgetary summaries for each operating fund are included as supplemental information.

General Fund

Overview

The General Fund is the Town's major operating fund and responsible for most of the daily operating activities, including administrative services, fire and emergency medical services, and shared support services for the Westlake Academy. The General Fund budget was adopted with a projected \$5m in use of fund balance. As the fiscal year progresses, staff will monitor budgetary performance. Fiscal projections will be updated after the second quarter to better evaluate revenues, specifically property and sales tax collections. Additionally, staff will present budget amendments for the Town Council's consideration to formally revise the budget; budget amendments will be prepared when revenues received or expenditures authorized by the Council require a change to original adopted budget for operations to continue.

General Fund



Town of Westlake Quarterly Financial Analysis

Revenue Summary

The General Fund revenues include three major categories: sales and use tax, property tax, and development fees and permits. The Town dedicates 1-cent of its sales tax levy to support the General Fund; 0.5-cent is designated for property tax reduction and recorded within the General Fund; the remaining 0.5-cent is for the 4B Economic Development Corporation. For tax year 2022, the Town adopted a property tax rate of \$0.16788 per \$100 of value; roughly 62% of the total tax levy funds general operations within the General Fund and the remaining is restricted for debt service. Development fees, including all permits, is one of the largest revenue sources for FY 2023, accounting for almost 23% of the adopted revenue budget. In total, 59% of budgeted revenues have been collected through the first three months of the year:

- 107% of budgeted sales tax has been collected; staff will closely monitor this volatile revenue source and update projections after the second quarter.
- 66% of the budgeted levy has been collected through the first quarter; it is expected that almost all current property tax revenues are collected by their January 31, 2023, due date.
- Permits, fines, and franchise fees are trending on budget for FY 2023.

Expenditure Summary

The General Fund expenditures account for the majority of Town operations, including general government, public safety, public works, and cultural and recreational functions. The Town budgets for 17 different departments within these functions, each with their own characteristics and annual spending spread. For example, IT spends more at the beginning of the fiscal year to renew subscriptions and order equipment, whereas Parks & Recreation activities largely occur during the summer months. In total, 13% of budgeted expenditures have been spent through the first three months of the year:

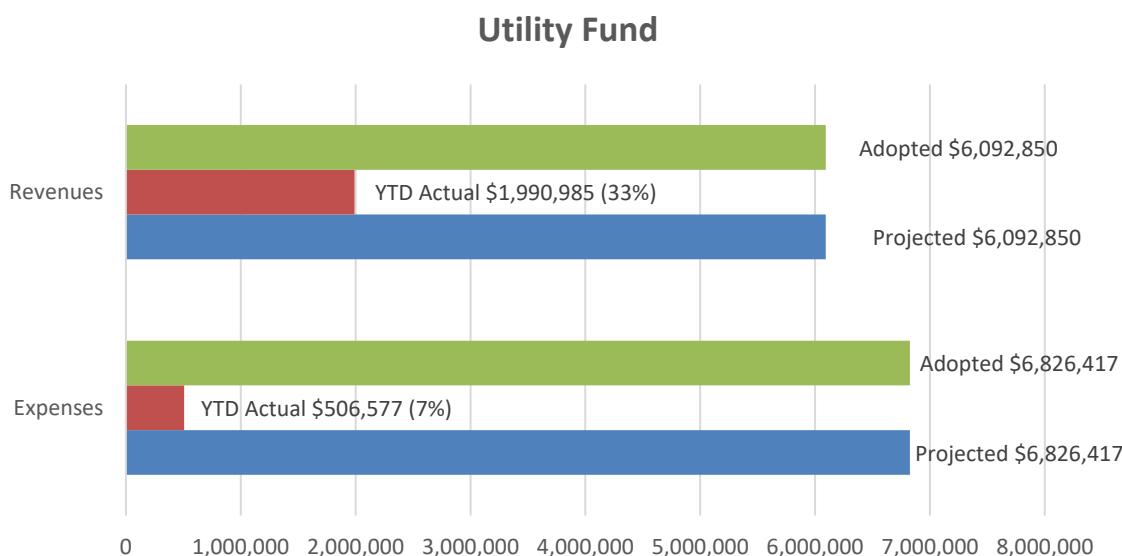
- Public safety, which comprises fire, emergency medical service, and contracted police services, make up roughly 26% of budgeted expenditures. Police services are billed quarterly; expenditures are reflected in the quarter following services.
- Departments providing support to the Academy show higher than expected spending for the first quarter. This trend will correct itself when the quarterly allocations are recorded to reclassify those costs to the Academy department within the General Fund. The following departments provide shared services:
 - General Administrative
 - Town Manager's Office
 - Town Secretary's Office
 - Fire/EMS
 - Public Works
 - Facilities
 - Finance
 - Information Technology
 - Human Resources
 - Community Engagement
- Information Technology and Communications show higher than expected spending for the first quarter due to annual subscription renewals that recur at the beginning of the fiscal year. The expenditures for these departments will normalize towards the end of the year and are not currently expected to go over budget.

Town of Westlake Quarterly Financial Analysis

Utility Fund

Overview

The Utility Fund is the Town's second largest fund and responsible for the delivery of water and sewer services to all residences and businesses within the Town. It is an enterprise-type fund; fees are set annually with the intent to cover the cost to provide services, similar to a business. The Utility Fund budget was adopted with a projected \$700k in use of retained earnings. Activities within this fund occur largely within the summer months.



Revenue Summary

The Utility Fund revenues are mainly comprised of water sales and sewer treatment revenues charged to users within the Town. In total, 33% of budgeted revenues have been collected through the first three months of the year:

- 37% of budgeted water revenue has been collected; water revenue is generally contingent on rainfall and expected to be higher during dry months.
- 24% of budgeted sewer revenue has been collected through the first quarter; the Town employs winter quarter averaging in order to stabilize rates and better reflect water actually treated.
- Other revenues are trending slightly higher than budget for FY 2023.

Expense Summary

The Utility Fund expenses include the purchase of water from the City of Fort Worth, sewer treatment from Trinity River Authority, annual debt service payments, and transfers out. In total, 7% of budgeted expenses have been expended through the first three months of the year:

- 9% of water purchases and sewer treatment services have been expended.
- Debt service payments are due in February and August each year; no expenses occur in the first quarter.
- Operating transfers out occur as expenditures in the General Fund are incurred; capital transfers out are recorded as needed.

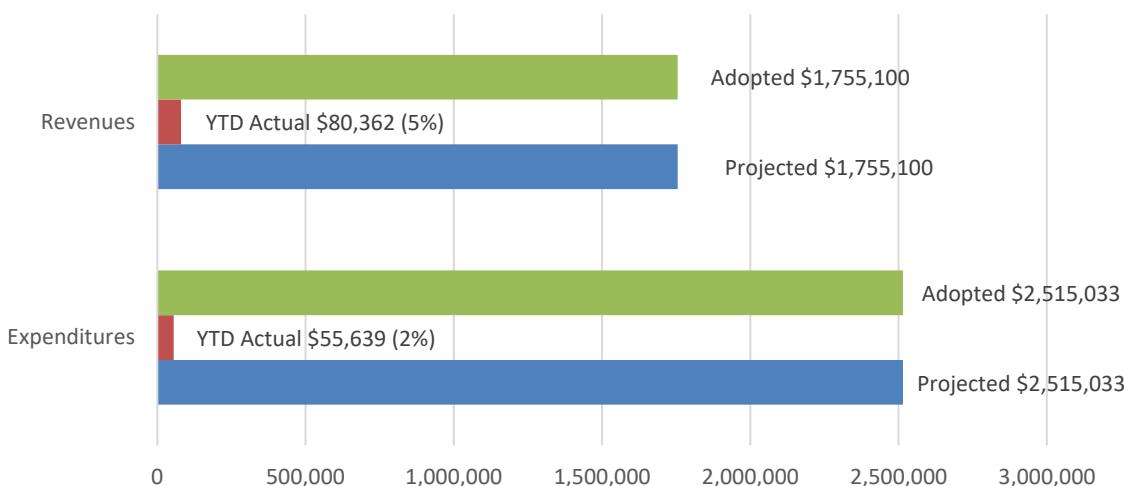
Town of Westlake Quarterly Financial Analysis

Capital Project Funds

Overview

The Town of Westlake uses 3 capital project funds: Capital Projects, Arts & Sciences Center, and Westlake Academy Expansion. The adopted budgets for each of these funds are based on known revenues and projects at the time of adoption for that fiscal year and reflected in the five-year Capital Improvements Plan. These funds are life-to-date due to the nature of the projects funded therein. As various revenues are received or projects authorized by Town Council, budget amendments will be presented for approval.

Utility Fund



Revenue Summary

The revenues for capital project funds include bond proceeds, donations, interest income, and transfers in from other operating funds. No debt was issued during the first quarter and the Town did not receive donations restricted to capital projects. In total, 5% of budgeted revenues have been collected through the first three months of the year:

- 3% of budgeted Capital Projects revenue has been collected, all of which is interest income.
- 9% of budgeted Arts & Sciences revenue has been collected, all of which is interest income.
- 6% of budgeted Academy Expansion revenue has been collected, all of which is interest income.

Expenditure Summary

Expenditures within the capital project funds are restricted to the costs required for capital improvements and the operating costs specifically required to support the projects. No major projects were started during the first quarter. In total, 2% of budgeted expenses have been collected through the first three months of the year:

- 2% of Capital Projects expenditures have occurred for SH114 Service Road and software upgrade projects.
- 13% of Arts & Sciences expenditures have occurred, all of which is for design fees.
- 2% of Academy Expansion expenditures have occurred, all of which is for engineering fees.

Town of Westlake Quarterly Financial Analysis

Investment Holdings

Overview

The Town of Westlake leverages their depository for almost all the Town's investment activities. The agreement stipulates that the interest earned will be 5 basis points above the TexPool prior month average rate, with a guaranteed base of 0.15%. The Town earned a total of \$328,924 in interest from its investment activities.

Economic Summary

The Fed implemented additional increases to the interest rate during the first quarter of fiscal year 2023. Its December increase was at a lower amount than previous rate hikes, reflecting softening inflation and bolstering the market. Due to rising rates, housing prices declined slightly and demand lowered. In Texas, the housing market continues to be impacted by migration to the state and job growth. Service industries, particularly leisure and hospitality, continued to perform across the state despite struggles to fill available jobs in all sectors.

Sources:

[Your Texas Economy \[Dallas Fed\]](#)

[Monthly Newsletter January 2023 \[Federated Investors\]](#)

[Economic Summary – Q1 2023 \[Hilltop Securities\]](#)

The information herein represents Westlake's Municipal and Academic investment report for the period ended December 31, 2022. The undersigned acknowledges that the Town's investment portfolios are accurate and is actively working to ensure compliance with the policies and strategies contained in the Town's Investment Policy, as adopted by Ordinance 950, and is actively working to ensure compliance with the requirements of section 2256.023 of the Public Funds Investment Act of the State of Texas.



Cayce Lay Lamas, CPA
Director of Finance

**General Fund****Revenue Summary**

	Budget	YTD	% of Budget
General Administrative	7,690,960	5,561,028	72%
Town Manager's Office	-	-	0%
Planning & Development	2,255,328	539,101	24%
Town Secretary's Office	-	-	0%
Fire/EMS Department	173,300	42,294	24%
Municipal Court Office	507,385	142,354	28%
Public Works Office	-	-	0%
Facilities Maintenance	-	-	0%
Finance Office	-	-	0%
Parks and Recreation	-	6,400	0%
Information Technology	-	-	0%
Human Resources Office	-	-	0%
Community Engagement	-	-	0%
Transfers In	67,225	-	0%
Total Revenue	10,694,198	6,291,177	59%

Key Revenue Sources

	Budget	YTD	% of Budget
Sales Tax	4,233,984	4,532,320	107%
Property Taxes	2,004,100	696,738	35%
Permits	1,126,968	308,668	27%
Fines	425,000	121,570	29%
Franchise Fees	547,135	216,366	40%

Moving Average Comparisons to Collections

12 Month Moving Average	12-MA	Collections
Sales Tax	985,003	2,343,553

Expenditure Summary

	Budget	YTD	% of Budget
Council	2,000	-	0%
General Administrative	1,010,959	187,661	19%
Town Manager's Office	517,890	139,771	27%
Planning & Development	765,138	134,589	18%
Town Secretary's Office	121,170	37,183	31%
Fire/EMS Department	3,105,782	694,837	22%
Municipal Court Office	600,389	114,292	19%
Public Works Office	683,076	159,981	23%
Facilities Maintenance	316,291	63,991	20%
Finance Office	319,255	124,395	39%
Parks and Recreation	413,437	49,320	12%
Information Technology	394,240	219,461	56%
Human Resources Office	137,990	56,779	41%
Community Engagement	88,976	29,454	33%
Police Services	1,032,869	-	0%
Academy	2,343,891	42,863	2%
Transfers	3,883,566	-	0%
Total Expenditures	15,736,919	2,054,576	13%

Fund Balance

	Budget
Beginning (Unaudited)	13,268,443
Revenues	10,694,198
Expenditures	15,736,919
Ending (Projected)	8,225,722
Restricted	1,011,684
180 Day Requirement	5,845,489
Unassigned/Available	1,368,549

Net Surplus (deficit)	(5,042,721)	4,236,600
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Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



EDC 4B

Revenue Summary

	Budget	YTD	% of Budget
Sales Tax	1,784,481	1,510,773	85%
Total Revenues	1,784,481	1,510,773	85%

Fund Balance

	Budget
Beginning (Unaudited)	661,525
Revenues	1,784,481
Expenditures	1,622,790
Ending (Projected)	823,216
Restricted	823,216
Unassigned/Available	-

Expenditure Summary

	Budget	YTD	% of Budget
Transfer	1,622,790	988,912	61%
Total Expenditures	1,622,790	988,912	61%

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



EDC 4B

Revenue Summary

	Budget	YTD	% of Budget
Sales Tax/Hotel Tax	616,535	8,176	1%
Total Revenues	616,535	8,176	1%

Fund Balance

	Budget
Beginning (Unaudited)	-
Revenues	616,535
Expenditures	616,535
Ending (Projected)	-

Expenditure Summary

	Budget	YTD	% of Budget
Economic Development	141,535	-	0%
Transfer	475,000	-	0%
Total Expenditures	616,535	-	0%

Unassigned/Available

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Public Improvement District

Revenue Summary

	Budget	YTD	% of Budget
Reimbursement of Admin Fees	50,000	-	0%
Total Revenues	50,000	-	0%

Fund Balance

	Budget
Beginning (Unaudited)	383,197
Revenues	50,000
Expenditures	57,000
Ending (Projected)	376,197
Restricted	376,197
Unassigned/Available	-

Expenditure Summary

	Budget	YTD	% of Budget
Consultant Fees	7,000	-	0%
Admin Fees	50,000	12,743	25%
Total Expenditures	57,000	12,743	22%

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Visitor Association

Revenue Summary

	Budget	YTD	% of Budget
Hotel Taxes	446,075	149,373	33%
Car Show	5,200	1,517	29%
Transfer In	250,000	-	0%
Total Revenues	701,275	150,890	22%

Fund Balance

	Budget
Beginning (Unaudited)	166,438
Revenues	701,275
Expenditures	949,150
Ending (Projected)	(81,437)

Expenditure Summary

	Budget	YTD	% of Budget
Transfers Out/Rent/Marketing	844,050	129,937	15%
Advertising & Marketing	94,900	18,900	20%
Car Show	10,200	3,783	37%
Total Expenditures	949,150	152,620	16%

Restricted
Unassigned/Available

(81,437)

-

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Lonestar Public Fund

Revenue Summary

	Budget	YTD	% of Budget
Interest Income	25	110	440%
Total Revenues	25	110	440%

Fund Balance

	Budget
Beginning (Unaudited)	14,764
Revenues	25
Expenditures	-
Ending (Projected)	14,789

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Cemetery Fund

Revenue Summary

	Budget	YTD	% of Budget
Lot Sales/Interest Income	14,925	21,093	141%
Total Revenues	14,925	21,093	141%

Fund Balance

	Budget
Beginning (Unaudited)	323,051
Revenues	14,925
Expenditures	25,201
Ending (Projected)	312,775
Restricted	312,775
Unassigned/Available	-

Expenditure Summary

	Budget	YTD	% of Budget
Cemetery Operating Expenses	25,201	2,372	9%
Total Expenses	25,201	2,372	9%

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Revenue Supported Debt Fund

Revenue Summary

	Budget	YTD	% of Budget
Transfer In from 4B	1,622,790	988,912	61%
Total Revenues	1,622,790	988,912	61%

Fund Balance

	Budget
Beginning (Unaudited)	-
Revenues	1,622,790
Expenditures	1,622,790
Ending (Projected)	-
Restricted	-
Unassigned/Available	-

Expenditure Summary

	Budget	YTD	% of Budget
Debt Service Payments	1,622,790	-	0%
Total Expenditures	1,622,790	-	0%

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Property Tax Supported Debt

Revenue Summary

	Budget	YTD	% of Budget
Property Taxes	1,202,967	397,763	33%
Total Revenues	1,202,967	397,763	33%

Fund Balance

	Budget
Beginning (Unaudited)	32,688
Revenues	1,202,967
Expenditures	1,235,655
Ending (Projected)	-
Restricted	-
Unassigned/Available	-

Expenditure Summary

	Budget	YTD	% of Budget
Debt Service Payments	1,235,655	500	0%
Total Expenditures	1,235,655	500	0%

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Capital Projects Fund

Revenue Summary

	Budget	YTD	% of Budget
Interest Income	5,000	29,902	598%
Transfer In from GF	1,010,100	-	0%
Total Revenues	1,015,100	29,902	3%

Fund Balance

	Budget
Beginning (Unaudited)	3,212,238
Revenues	1,015,100
Expenditures	1,410,033
Ending (Projected)	2,817,305

Expenditure Summary

	Budget	YTD	% of Budget
SH114 Service Road	120,000	3,581	3%
Capital Projects	1,031,832	-	0%
Software Upgrades	127,201	21,530	17%
Sam School/Knolls Op	131,000	-	0%
Total Expenditures	1,410,033	25,111	2%

Restricted	2,817,305
Unassigned/Available	-

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Arts & Sciences Fund

Revenue Summary

	Budget	YTD	% of Budget
Interest Income	10,000	22,510	225%
Transfer In	250,000	-	0%
Total Revenues	260,000	22,510	9%

Fund Balance

	Budget
Beginning (Unaudited)	3,271,059
Revenues	260,000
Expenditures	55,000
Ending (Projected)	3,476,059

Expenditure Summary

	Budget	YTD	% of Budget
Design Fees	55,000	7,013	13%
Total Expenditures	55,000	7,013	13%

Restricted	3,476,059
Unassigned/Available	-

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Academy Expansion Fund

Revenue Summary

	Budget	YTD	% of Budget
Interest Income	5,000	27,950	559%
Transfer In	475,000	-	0%
Total Revenues	480,000	27,950	6%

Fund Balance

	Budget
Beginning (Unaudited)	1,961,502
Revenues	480,000
Expenditures	1,050,000
Ending (Projected)	1,391,502

Expenditure Summary

	Budget	YTD	% of Budget
Engineering & Consultant Fees	-	23,516	0%
Capital	800,000	-	0%
Transfer to Arts & Sciences	250,000	-	0%
Total Expenditures	1,050,000	23,516	2%

Restricted	1,391,502
Unassigned/Available	-

Town of Westlake Dashboard

Fiscal Year Overview: FY23

Period Ending: December 31, 2022

25% of the fiscal year



Utility Fund

Revenue Summary

	Budget	YTD	% of Budget
Water Revenue	3,722,173	1,393,906	37%
Sewer Revenue	1,800,876	436,524	24%
Fort Worth Impact Fee	145,000	68,748	47%
Duct Bank Permit Fee	198,400	21,700	11%
Insurance and Admin Fees	12,500	4,408	35%
Other Revenue	213,901	65,699	31%
Total Revenues	6,092,850	1,990,985	33%

Fund Balance

	Budget
Beginning (Unaudited)	8,751,487
Revenues	6,092,850
Expenditures	6,826,417
Ending (Projected)	8,017,920
Restricted	316,695
Unassigned/Available	7,701,225

Expenditure Summary

	Budget	YTD	% of Budget
Operating Transfers Out	569,460	90,291	16%
Rent	84,086	14,796	18%
Insurance & Phone	14,856	256	2%
Bank Charges and Electric	20,350	8,076	40%
Compensated Absence	4,645	-	0%
Workers Compensation	3,930	-	0%
Contractual Services	200,087	2,707	1%
Water Purchases & Sewer Treated	3,822,749	361,458	9%
Insurance & Travel	23,117	146	1%
Office Supplies	122,559	32,118	26%
Water Meters and Taps	25,780	1,816	7%
Debt Service	1,067,574	(5,087)	0%
Transfers Out	867,225	-	0%
Total Expenses	6,826,417	506,577	7%



Quarterly Investment Report

Fourth Quarter Ended September 30, 2022

INVESTMENT ACTIVITY

FINANCIAL INSTITUTION	12/31/22	09/30/22	06/30/22	03/31/22
First Financial Bank				
<i>Muni General Operating - 6904</i>				
Beginning Balance	\$ 47,129,749	\$ 40,832,714	\$ 40,073,287	\$ 36,471,381
Deposits	2,851,740	5,490,245	1,932,856	1,362,602
Withdrawals	1,480,844	1,546,132	1,671,853	1,668,746
Interest	122,356	83,460	22,117	4,616
Ending Balance	48,623,000	44,860,287	40,356,407	36,169,853
<i>Westlake Academy - 6920</i>				
Beginning Balance	1,537,856	1,503,967	1,629,411	2,044,552
Deposits	26,319	951,666	726,384	747,815
Withdrawals	936,192	1,114,498	820,429	1,000,728
Interest	122	2,515	765	203
Ending Balance	628,105	1,343,650	1,536,130	1,791,842
<i>Insurance Trust - 6946</i>				
Beginning Balance	-	-	-	-
Deposits	111,264	55,139	61,939	58,690
Withdrawals	54,795	55,139	61,939	58,690
Interest	-	-	-	-
Ending Balance	56,469	-	-	-
TexPool				
<i>Muni</i>				
Beginning Balance	106	105	105	105
Deposits	-	-	-	-
Withdrawals	-	-	-	-
Interest	-	-	-	-
Ending Balance	106	105	105	105
<i>Academy</i>				
Beginning Balance	106	105	105	105
Deposits	-	-	-	-
Withdrawals	-	-	-	-
Interest	-	-	-	-
Ending Balance	106	105	105	105



Quarterly Investment Report

Fourth Quarter Ended September 30, 2022

INVESTMENT ACTIVITY

Investment Activity Summary as of 12/31/22

Description	Book & Market			
	Yield	Value	Maturity Date	Settlement Date
First Financial Bank	3.0000%	49,307,574	12/31/22	01/01/23
TexPool	3.9799%	213	12/31/22	01/01/23
Total Investments	49,307,786			

* All accounts have a Life of 1 day and a Market Price of \$1.

BENCHMARKS

Investment Type	12/31/22	09/30/22	06/30/22	03/31/22
T-Bills				
3 months	4.25	3.13	1.49	0.44
6 months	4.55	3.63	2.11	0.83
T-Notes				
1 Yr	4.68	3.89	2.65	1.34
2 Yrs	4.29	3.86	3.00	1.91
3 Yrs	4.05	3.88	3.15	2.09
5 Yrs	3.76	3.70	3.19	2.11
Gov't Pools				
Texpool	3.9799	2.4126	1.0013	0.1536

Sources

[FRB H15: Data Download Program - Choose \(federalreserve.gov\)](https://www.federalreserve.gov/H15/H15.html)
[TexPool](https://www.federalreserve.gov/H15/H15.html)