

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

of the

Town of Westlake, Texas

**For the Year Ended
September 30, 2024**

Prepared by

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Town Manager

Cayce Lay Lamas, CPA
Director of Finance



Town of Westlake, Texas

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INTRODUCTORY SECTION





November 10, 2025

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, 2024, 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 BrooksWatson & Company, PLLC. 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, 2024, 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, 2024, 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, 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 1,922. In 2024, the average size of new home construction was 10,693 square feet, with an average estimated construction cost of \$3.2 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 its 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 882 students in FY 23-24 and serves Kindergarten thru 12th 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 changed from August 31 to June 30 with FY 23-24, therefore, the information presented for the Academy is for a ten-month fiscal year.

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 outsourced services, as necessitated. The decision as to which service to deliver

directly versus outsourcing is based on analysis of cost-effectiveness, citizen responsiveness, and customer service quality.

Economic Conditions and Outlook

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 entity 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, 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 2023 population of 2,006, our Town saw an increase of 84 additional residents in the past year. We will monitor and plan for the anticipated increase in these numbers, currently expected not to exceed 5,000 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 (5,000) 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), Solana Hills, Entrada, and The Knolls of Solana neighborhoods.

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. Housing starts in Westlake, due to our homes' high value, add significant taxable value to our taxing base; however, this also impacts the demand for municipal services, including the Town's K-12 public charter school, Westlake Academy.

As the area economy continues to outperform the lasting effects of the global economic downturn from the 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. The Town issued 26 single family home construction permits in FY24 for an approximate total of \$82,295,850.

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 15,000 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 construction was significantly more varied than in recent years, reflecting the progress in development across the Town. Commercial projects, including finish out and remodel projects, totaled 14 permits issued with a total valuation of \$50,037,087. In addition, 6 new commercial permits were issued, totaling in valuation of about \$355,054,485. This includes the continued expansion project at the Deloitte corporate campus and the 2 new commercial businesses, Dutch Bros. and Pinstack. Thirteen (13) Certificate of Occupancies were issued as well.

- **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 FY2024, commercial finish outs and incremental progress occurred; more traction is expected next year.

- **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, compliments 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 employee positions. The expansion of the Deloitte University campus further establishes us as a leading financial services corridor within the DFW Metroplex.
- **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 year to rigorously inspect and update infrastructure. Significant investments in the Town's aging water and wastewater systems will be necessary in the coming years to ensure safe delivery to current customers, while adequately planning for redundancies and meeting future growth needs.
- **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.
- **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, trail, and roadway improvements. The FY2024 budget included funds for multiple assessments and studies of the Town and Academy infrastructure and capital equipment needs. Due to the large scope, these activities will continue into FY2025, and it is expected that the FY2026 budget will incorporate the findings.

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 SH 114 service road ramps are reversed between FM 1938 and Dove Road in Southlake, and the SH 170 main lanes have opened. Despite these improvements, commuter traffic is growing with the increased call by the business community for workers to return to the office and area population continues to rise.

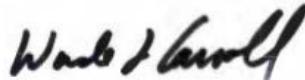
Users of this transmittal letter, as well as others interested in the programs and services offered by the Town of Westlake, are encouraged to read the Town's Fiscal Year 2023-2024 Budget. The budget details the Town's long-term goals and financial policies and describes program accomplishments and initiatives.

Acknowledgements

The preparation of this report could not have been 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.

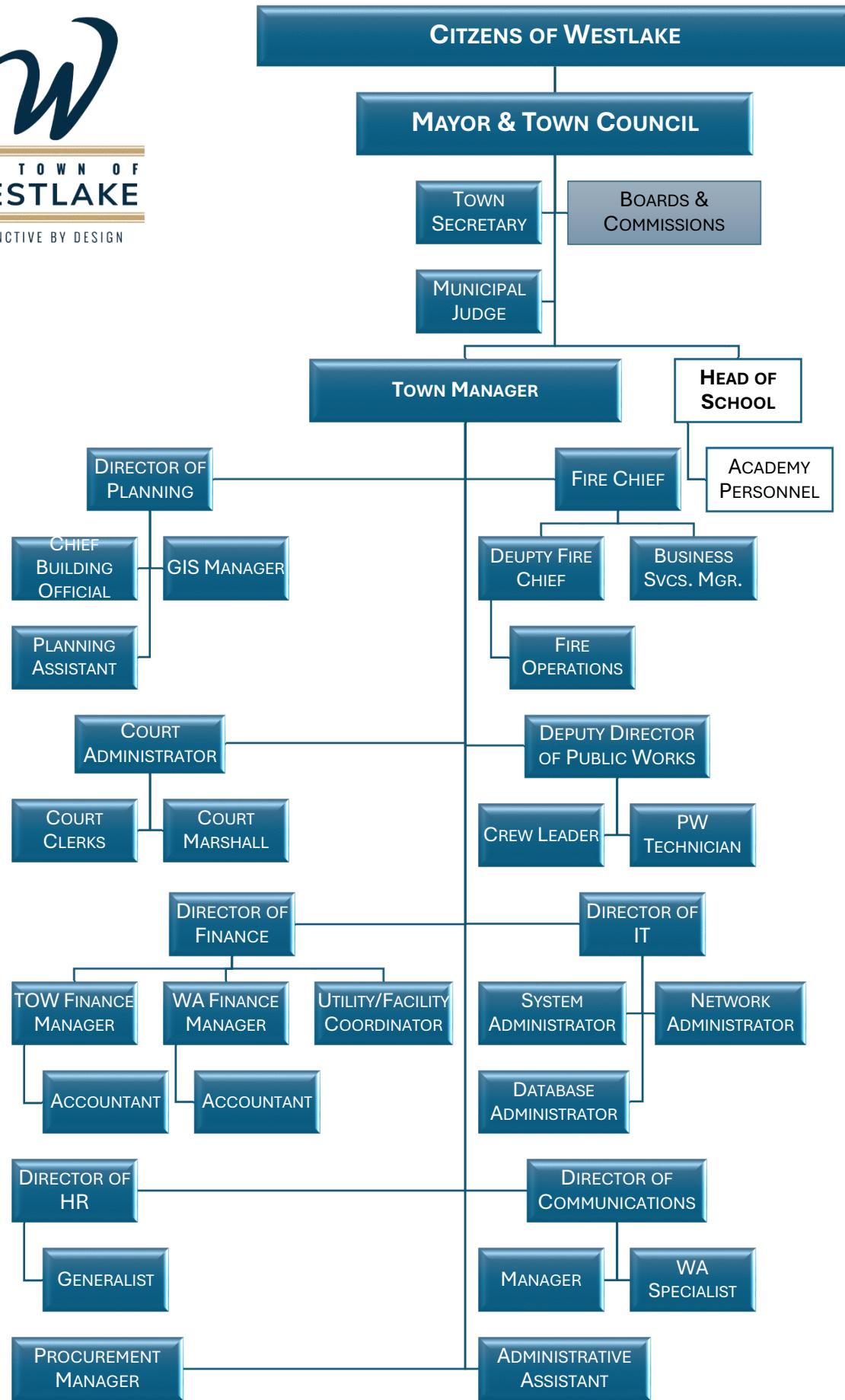
Respectfully Submitted,



Wade Carroll
Town Manager



Cayce Lay Lamas, CPA
Director of Finance



ELECTED COUNCIL MEMBERS – FY2024



Anna White – Councilmember

Victor Sansone – Councilmember

Tim Shiner – Councilmember

Sean Kilbride – Mayor

David Quint – Mayor Pro-Tem

Kim Greaves - Councilmember

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 the Town Council
Town of Westlake, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Westlake, Texas (the "Town") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 of Westlake, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Emphasis of Matter

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 5. I. to the financial statements, the discretely presented component units Texas Student Housing Authority – College Station Project and Texas Student Housing

Corporation – Denton Project 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 and foreclose on the assets. This condition raises substantial doubt about the discretely presented component units' ability to continue as going concerns. 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.

Blended Component Unit Year End

As discussed in Note 1.B. to the financial statements, the blended component unit, Westlake Academy, has a year end of June 30, 2024. Our opinion is not modified with respect to this matter.

Discretely Presented Component Unit Restatement

As discussed in Note V.K. the financial statements, due to corrections over accrued interest in the prior year, the discretely presented component unit restated its beginning net position. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information 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.

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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is 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 it.

A handwritten signature in black ink that reads "Brooks Watson & Co." The signature is fluid and cursive, with "Brooks" on the first line and "Watson & Co." on the second line.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
November 10, 2025

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

As management of the Town of Westlake, Texas (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii-ix of this report.

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows (net position) at September 30, 2024 by \$105,945,624.
- The Town's total net position increased by \$15,568,478. The majority of the Town's net position is invested in capital assets or restricted for specific purposes.
- The Town's governmental funds reported combined ending fund balances of \$58,160,529 at September 30, 2024, an increase of \$11,947,496 from the prior fiscal year; this includes an increase of \$7,856,155 in the general fund, an increase of \$156,370 in the debt service fund, an increase of \$1,271,837 in the capital projects fund, an increase of \$1,399,907 in the 4B EDC fund, an increase of \$986,445 in the Westlake Academy fund, a decrease of \$350,011 in the Westlake Academy expansion capital projects fund, and an increase of \$626,793 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$38,747,187 or 340% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide 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. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The *statement of net position* presents information on all of the Town's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, such as the Town's property tax base and the condition of the Town's infrastructure, need to be considered in order to assess the overall health of the Town.

Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

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

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

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also the legally separate component units including the three Texas Student Housing entities, which are discretely presented in the government-wide statements. Financial information for these component units are 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. The Town is financially accountable for all these component units.

The government-wide financial statements can be found on pages 20-23 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing

Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

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 fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, the 4B EDC fund, Westlake Academy, and the Westlake Academy Expansion Capital Projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The Town adopted an annual appropriated budget for each fund, with the exception of the Solana PID capital projects fund and the Public Arts Fund. A budgetary comparison statement has been provided for each fund with an adopted budget to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 24-33 of this report.

Proprietary Funds

The Town's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its water/sewer and cemetery operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, and billing and collection expenses. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility fund and Cemetery fund, both of which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 34-39 of this report.

Component Units

The Town maintains the accounting and financial statements for three discretely presented component units. Texas Student Housing Authority, Texas Student Housing Authority – College Station Project, and Texas Student Housing Corporation – Denton Project are all discretely presented component units displayed on the government-wide financial statements. The 4B EDC fund and Westlake Academy are presented as blended component units and included in the basic governmental fund statements.

Town of Westlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

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 Solana PID Private Purpose Trust Fund.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 43-99 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, Westlake Academy (general fund), schedule of changes in the net pension liability/OPEB liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System and the Teacher Retirement System of Texas. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the Town of Westlake, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$105,945,624 as of September 30, 2024, in the primary government.

The largest portion of the Town's net position, \$39,942,216 reflects its investments in capital assets (e.g., land, buildings, water system, machinery and equipment, construction in progress), less any debt used to acquire those assets that are 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 assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Westlake, Texas' net position of \$19,294,260 represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the Town of Westlake, Texas is able to report positive balances in all reported categories of net position for the primary government, both for the government as a whole,

Town of Westlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 60,170,001	\$ 15,870,738	\$ 76,040,739	\$ 48,262,092	\$ 12,698,415	\$ 60,960,507
Capital assets, net	80,938,804	8,701,540	89,640,344	82,850,444	9,113,104	91,963,548
Total Assets	141,108,805	24,572,278	165,681,083	131,112,536	21,811,519	152,924,055
 Deferred Outflows of Resources						
Current liabilities	5,119,113	1,901,448	7,020,561	5,186,905	1,814,482	7,001,387
Long-term liabilities	36,699,513	17,071,930	53,771,443	39,335,452	17,717,641	57,053,093
Total Liabilities	41,818,626	18,973,378	60,792,004	44,522,357	19,532,123	64,054,480
 Deferred Inflows of Resources						
Net Position:						
Net investment in capital assets	48,867,171	(8,924,955)	39,942,216	47,921,269	(9,088,254)	38,833,015
Restricted	19,244,260	50,000	19,294,260	15,241,173	50,000	15,291,173
Unrestricted	32,293,793	14,415,355	46,709,148	24,941,445	11,311,513	36,252,958
Total Net Position	\$ 100,405,224	\$ 5,540,400	\$ 105,945,624	\$ 88,103,887	\$ 2,273,259	\$ 90,377,146

Total current and other assets of the primary government were \$76,040,739 and \$60,960,507 as of September 30, 2024 and September 30, 2023, respectively. The increase is primarily due to greater interest-bearing account balances held at the end of the year due to an operating surplus. Current liabilities of business-type activities were \$1,901,448 and \$1,814,482 as of September 30, 2024 and September 30, 2023, respectively. The increase was primarily due to the timing of water purchases in the current year. Long-term liabilities for governmental activities decreased by \$2,635,939 or 7% due to debt issuance in the prior year. Deferred outflows and inflows of resources experienced changes due to market fluctuation and the changes in investment returns impacting pension liability balances.

Town of Westlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Statement of Activities:

The following table provides a summary of the Town's changes in net position:

	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 6,884,483	\$ 8,016,907	\$ 14,901,390	\$ 2,936,035	\$ 7,976,355	\$ 10,912,390
Grants/contributions	11,068,808	-	11,068,808	15,676,021	-	15,676,021
General revenues:						
Property tax	4,008,157	-	4,008,157	3,507,970	-	3,507,970
Sales tax	11,985,325	-	11,985,325	16,650,960	-	16,650,960
Franchise and local taxes	922,078	-	922,078	915,742	-	915,742
Occupancy/mixed bev. tax	748,500	-	748,500	556,830	-	556,830
Investment income	2,677,347	718,465	3,395,812	1,546,860	430,626	1,977,486
Other revenues	151,575	462,537	614,112	60,496	151,413	211,909
Total Revenues	38,446,273	9,197,909	47,644,182	41,850,914	8,558,394	50,409,308
Expenses						
General government	4,977,845	-	4,977,845	5,773,925	-	5,773,925
Public safety	4,631,503	-	4,631,503	4,827,695	-	4,827,695
Cultural and recreation	337,128	-	337,128	193,022	-	193,022
Public works	1,636,523	-	1,636,523	1,469,299	-	1,469,299
Visitor services	270,346	-	270,346	548,735	-	548,735
Education	13,221,132		13,221,132	13,140,655	-	13,140,655
Interest on long-term debt	1,070,459	-	1,070,459	1,101,951	-	1,101,951
Utility	-	5,891,114	5,891,114	-	5,857,895	5,857,895
Cemetery	-	39,654	39,654	-	9,973	9,973
Total Expenses	26,144,936	5,930,768	32,075,704	27,055,282	5,867,868	32,923,150
Change in Net Position	12,301,337	3,267,141	15,568,478	14,795,632	2,690,526	17,486,158
Beginning Net Position	88,103,887	2,273,259	90,377,146	73,308,255	(417,267)	72,890,988
Ending Net Position	\$ 100,405,224	\$ 5,540,400	\$ 105,945,624	\$ 88,103,887	\$ 2,273,259	\$ 90,377,146

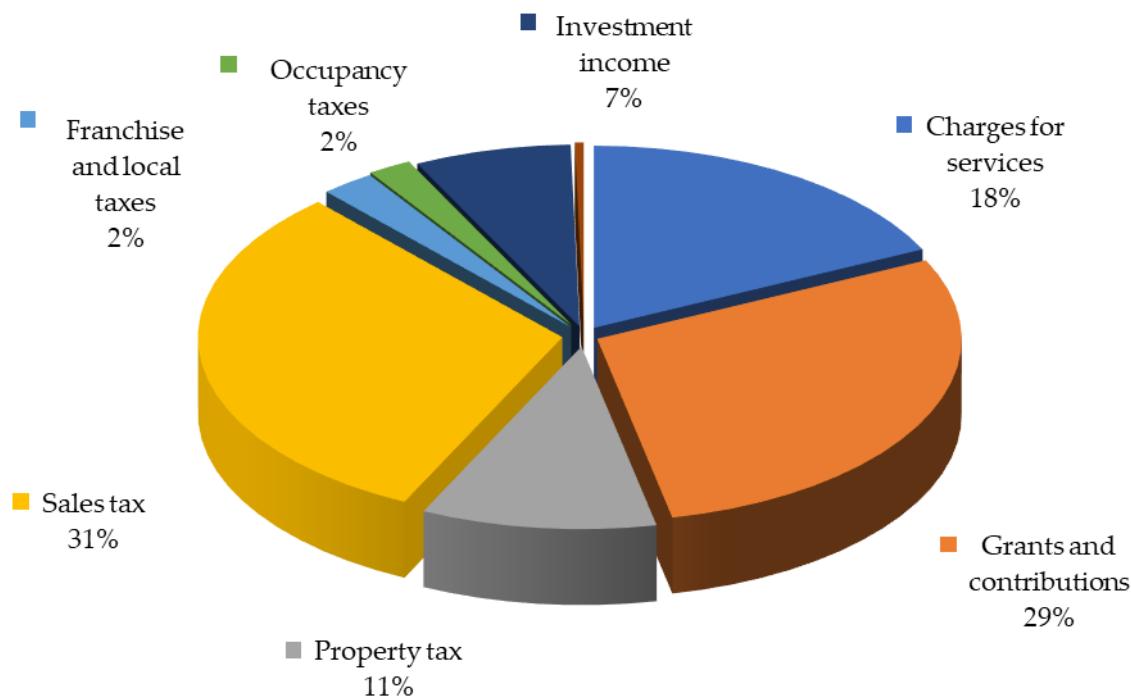
Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the Town's activities.

Governmental Activities – Revenues



For the year ended September 30, 2024, revenues from governmental activities totaled \$38,446,273. Sales tax and grants and contributions are the Town's largest general revenue sources. Overall revenue decreased \$3,404,641 or 8% from the prior year. Charges for services increased by \$3,948,448 or 134% due primarily to nonrecurring license and permit revenues in the current year, which was a result of construction projects and permit fee increases. Grants and contributions decreased by \$4,607,213 or 29% primarily due to the nonrecurring donations received from Deloitte in lieu of land dedication and a reduction in the amount of reimbursements from Denton County when compared to the prior year. Property taxes increased by \$500,187 or 14% due to greater appraised values in the current year. Sales taxes decreased by \$4,665,635 or 28% primarily due to nonrecurring large transactions during the prior year. Franchise and local taxes increased by \$6,336 or 1% due to greater electricity usage and miscellaneous franchise revenues received in the current year. Occupancy taxes increased by \$191,670 or 34% due to greater tourism activity over the course of the year. Investment income increased by \$1,130,487 or over 100% due to greater interest-bearing accounts and the realization of higher interest rates. Other revenues increased by \$91,079 or 151% as a result in part because of increases in EMS revenue and court technology fee revenues. All other revenues remained relatively stable when compared to the previous year.

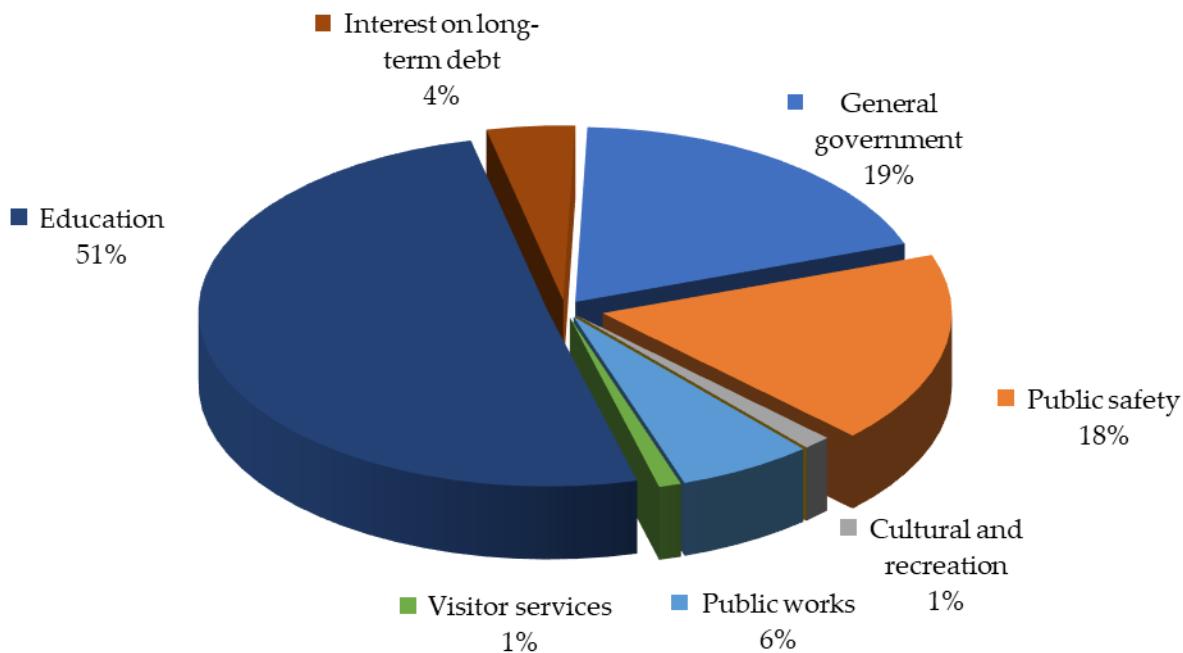
Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

This graph shows the governmental function expenses of the Town:

Governmental Activities – Expenses

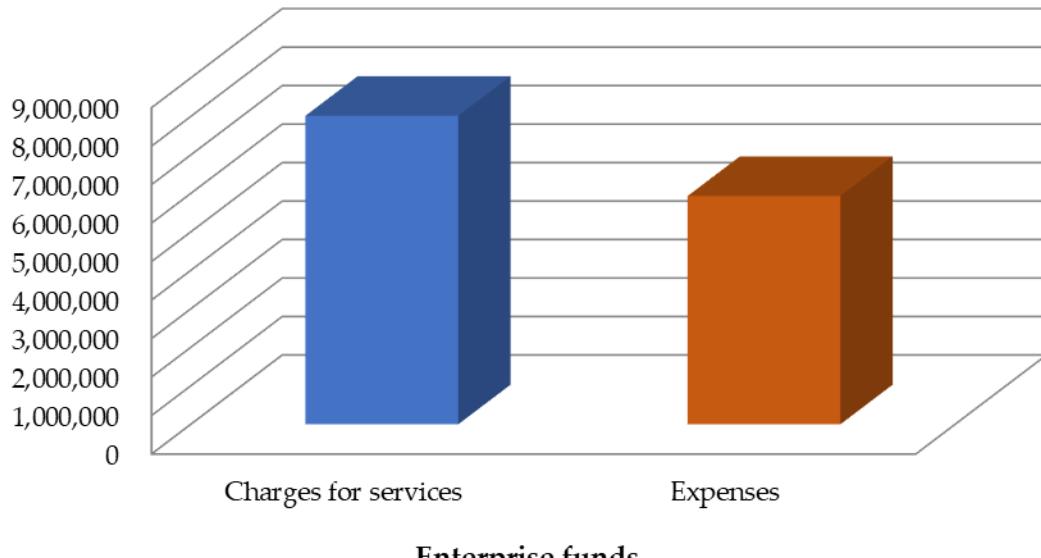


For the year ended September 30, 2024, expenses for governmental activities totaled \$26,144,936. This represents a decrease of \$910,346 or 3% from the prior year. The Town's largest expense category is education and the operating expenses of Westlake Academy, which totaled \$13,221,132 at year-end. Education expenses increased by \$80,477 or 1% primarily as a result of reclassification of education expenses in the general fund. In addition, the Academy incurred greater expenses related to athletic and academic stipends paid in the current year. General government expenses decreased by \$796,080 or 14% due to nonrecurring professional service costs, court technology and server and facility maintenance expenses incurred in the prior year. Cultural and recreation expenses increased by \$144,106 or 75% primarily due to nonrecurring repairs and maintenance in the current year. Public works expenses increased by \$167,224 or 11% due to nonrecurring street maintenance and roadside irrigation costs incurred in the current year. Visitor services decreased by \$278,389 or 51% due nonrecurring personnel costs and zoning/planning contract expenses incurred in the prior year. All other expenses remained relatively consistent when compared to the previous year.

Town of Westlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2024, charges for services by business-type activities totaled \$8,016,907. This is an increase of \$40,552 or 1% from the previous year. The increase is considered relatively consistent to the prior year.

Utility service expenses increased by \$33,219 or 1%. The increase is considered relatively consistent to the prior year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information of 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 the Town's net resources available for spending at the end of the year.

At September 30, 2024, the Town's governmental funds reported combined fund balances of \$58,160,529, an increase of \$11,947,496 in comparison with the prior year. Approximately 66% of this amount, \$38,634,857, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted or committed* to indicate that it is 1) not in spendable form totaled \$109,657, 2) restricted for particular purposes totaled \$19,244,260 or 3) committed for Westlake Academy campus activities totaled \$171,755.

Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

As of the end of the year the general fund reflected a total fund balance of \$39,135,298. General fund balance increased by \$7,856,155 during the current year. This increase can be attributed to greater than anticipated revenues, caused primarily by sales tax revenues. In addition, current year expenditures were less than appropriations, primarily in general government and education.

The debt service fund had a deficit fund balance of \$112,330 at September 30, 2024, an increase of \$156,370 when compared to the previous year. The increase in fund balance is mostly related to greater transfers into the fund in the current year. During the year, the fund recorded total principal and interest payments of \$3,434,395 and property tax revenue of \$1,832,327.

The capital projects fund had an ending fund balance of \$7,581,154. The capital projects fund increased by \$1,271,837 when compared to the previous year. The increase is a direct result of current year revenues and other financing sources exceeding capital expenditures.

The 4B EDC fund reflected an ending fund balance of \$4,732,089. The fund balance increased by \$1,399,907, which is primarily a result of revenues exceeding planned expenditures in the current year.

The Westlake Academy fund reflected an ending fund balance of \$2,094,874, an increase of \$986,445 compared to the prior year. The increase is primarily a result of current year revenues exceeding expenditures during the year.

The Westlake Academy expansion capital projects fund reflected an ending fund balance of \$3,082,872, a decrease of \$350,011. The decrease is a direct result of capital expenditures exceeding current year revenues and other financing sources.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Town's utility fund totaled \$5,054,421. Unrestricted net position at the close of the fiscal year for both the Town's proprietary funds amounted to \$14,415,355, an increase of \$3,103,842 over the previous year. Total investment in capital assets, net of related debt was a deficit of \$8,924,955, and capital assets, net of depreciation totaled \$8,701,540.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of \$20,774,595 were more than actual revenues of \$20,694,447, resulting in a negative revenue variance of \$80,148. The negative variance was primarily the result of lesser than expected sales taxes. Total budgeted expenditures of \$12,476,147 were greater than actual expenditures of \$11,385,028, resulting in a positive expenditure variance of \$1,091,119. The variance in total expenditures was primarily due to positive variances within the general government, public safety, and education departments. Expenditures did not exceed appropriations at the legal level of control.

Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

CAPITAL ASSETS

As of the end of the year, the Town's governmental activities funds had invested \$80,938,804 in a variety of capital assets and infrastructure, net of accumulated depreciation. The Town's business-type activities funds had invested \$8,701,540 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, machinery and equipment, water and sewer system, and infrastructure.

Major capital asset events during the current year include the following:

- Westlake Academy improvements for \$441,833.
- Purchased LPR cameras for \$115,200.
- Made street improvements for \$719,920.
- Gym renovations totaling \$350,407.
- Water line improvements totaled \$51,589.
- Lift station pump improvements totaled \$17,812.

More detailed information about the Town's capital assets is presented in note 4.C to the financial statements.

LONG-TERM DEBT

The Town's outstanding general obligation bonds, certificate of obligation bonds, contractual obligations, tax notes, notes payable, and lease liabilities, net of all premiums and discounts decreased by \$2,950,570 for governmental activities and decreased by \$592,895 for business-type activities from the prior year. The total outstanding debt at the close of the fiscal year, was \$32,010,263 for governmental-activities and \$17,542,683 for business-type activities.

More detailed information about the Town's long-term liabilities is presented in note 4.E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mayor and Town Council are committed to maintaining and improving the overall wellbeing of the Town of Westlake, and improving services provided to their citizens. The Town is budgeting for steady economic growth in the upcoming year.

Town of Westlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Westlake Director of Finance, 1500 Solana Blvd., Westlake, Texas, 76262. This information can also be accessed on the Town of Westlake's website at www.westlaketx.org.

BASIC FINANCIAL STATEMENTS

Town of Westlake, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Current assets:				
Cash and cash equivalents	\$ 55,818,461	\$ 14,660,946	\$ 70,479,407	\$ 2,493,865
Restricted cash	423,156	-	423,156	3,857,945
Receivables, net	3,818,727	1,128,705	4,947,432	86,754
Inventory	-	81,087	81,087	-
Prepaid and other assets	109,657	-	109,657	131,968
Total Current Assets	60,170,001	15,870,738	76,040,739	6,570,532
Noncurrent assets:				
Capital assets:				
Non-depreciable	12,446,059	329,030	12,775,089	5,101,164
Net depreciable capital assets	68,492,745	8,372,510	76,865,255	29,205,165
Total Noncurrent Assets	80,938,804	8,701,540	89,640,344	34,306,329
Total Assets	141,108,805	24,572,278	165,681,083	40,876,861
Deferred Outflows of Resources				
Deferred outflows - TMRS pension	638,306	47,582	685,888	-
Deferred outflows - TMRS OPEB	1,403	-	1,403	-
Deferred outflows - TRS pension	3,075,092	-	3,075,092	-
Deferred outflows - TRS OPEB	679,748	-	679,748	-
Deferred loss on refunding	250,523	-	250,523	-
Total Deferred Outflows of Resources	4,645,072	47,582	4,692,654	-

Town of Westlake, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
Current liabilities:				
Accounts payable	\$ 1,042,073	\$ 595,423	\$ 1,637,496	\$ -
Accrued liabilities	488,293	19,872	508,165	1,232,028
Customer deposits	-	303,055	303,055	-
Accrued interest payable	116,247	74,645	190,892	34,821,241
Unearned revenue	431,969	326,753	758,722	100,166
Compensated absences - current	380,552	2,829	383,381	-
Long-term debt due within one year	2,659,979	578,871	3,238,850	65,246,135
Total Current Liabilities	5,119,113	1,901,448	7,020,561	101,399,570
Noncurrent liabilities:				
Long-term debt due in more than one year	29,350,284	16,963,812	46,314,096	-
Compensated absences - noncurrent	42,283	314	42,597	-
OPEB liability - TRS	1,484,624	-	1,484,624	-
OPEB liability - TMRS	91,291	6,871	98,162	-
Net pension liability - TMRS	1,340,967	100,933	1,441,900	-
Net pension liability - TRS	4,390,064	-	4,390,064	-
Total Noncurrent Liabilities	36,699,513	17,071,930	53,771,443	-
Total Liabilities	41,818,626	18,973,378	60,792,004	101,399,570
Deferred Inflows of Resources				
Deferred inflows - TMRS pension	284,393	20,944	305,337	-
Deferred inflows - TMRS OPEB	19,017	1,326	20,343	-
Deferred inflows - TRS pension	988,289	-	988,289	-
Deferred inflows - TRS OPEB	2,162,939	-	2,162,939	-
Deferred gain on refunding	75,389	83,812	159,201	-
Total Deferred Inflows of Resources	3,530,027	106,082	3,636,109	-
Net Position				
Net investment in capital assets	48,867,171	(8,924,955)	39,942,216	(15,379,519)
Restricted for:				
Donor stipulations	2,834	-	2,834	-
Capital projects	11,340,198	-	11,340,198	-
Public safety	318,051	-	318,051	-
Education	1,880,695	-	1,880,695	-
Visitor services	726,413	-	726,413	-
Future projects	4,976,069	-	4,976,069	-
Improvements	-	50,000	50,000	-
Unrestricted	32,293,793	14,415,355	46,709,148	(45,143,190)
Total Net Position	\$ 100,405,224	\$ 5,540,400	\$ 105,945,624	\$ (60,522,709)

See Notes to Financial Statements.



Town of Westlake, Texas
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

Program Revenues		Net (Expense) Revenue and Changes in Net Position					
		Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 4,977,845	\$ -	\$ 459,014	\$ -	\$ 1,224,997	\$ (3,752,848)	\$ -
Public safety	4,631,503						
Cultural recreation	337,128						
Public works	1,636,523						
Visitor services	270,346						
Education	13,221,132						
Interest on long-term debt	1,070,459						
Total Governmental Activities	26,144,936	6,884,483	9,843,811	1,224,997	(8,191,645)		(8,191,645)
Business-Type Activities							
Water and sewer	5,891,114	7,952,400	-	-	-	2,061,286	2,061,286
Cemetery	39,654	64,507	-	-	-	24,853	24,853
Total Business-Type Activities	5,930,768	8,016,907	-	-	-	2,086,139	2,086,139
Total Primary Government	\$ 32,075,704	\$ 14,901,390	\$ 9,843,811	\$ 1,224,997	(8,191,645)		(6,105,506)
Westlake component units	16,079,716	644,866	-	-			
Discretely Presented Component Units	\$ 16,463,475	\$ 644,866	\$ -	\$ -			(15,434,850)
General Revenues:							
Taxes							
Property taxes			4,008,157				
Sales tax			11,985,325				
Franchise and local taxes			922,078				
Occupancy tax			748,500				
Rental income			-				
Other revenues			151,575				
Investment income			2,677,347				
Total General Revenues and Transfers		20,492,982		1,181,002		21,673,984	
Change in Net Position			12,301,337				
Prior year ending net position, as reported			88,103,887				
Correction of an error			-				
Restated beginning Net Position			88,103,887				
Ending Net Position	\$ 100,405,224	\$ 5,540,400	\$ 105,945,624			\$ 100,522,709	

See Notes to Financial Statements.

Town of Westlake, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2024

	General	Debt Service	Capital Projects	4B EDC
Assets				
Cash and cash equivalents	\$ 37,885,168	\$ -	\$ 7,584,784	\$ 4,225,038
Restricted cash	423,156	-	-	-
Accounts receivable, net	1,878,477	1,413	-	507,051
Due from other governments	-	-	-	-
Due from other funds	112,329	-	-	-
Prepays	70,060	-	-	-
Total Assets	\$ 40,369,190	\$ 1,413	\$ 7,584,784	\$ 4,732,089
Liabilities				
Accounts payable	\$ 626,199	\$ -	\$ -	\$ -
Accrued liabilities	177,359	-	3,630	-
Due to other funds	-	112,329	-	-
Unearned revenue	427,057	-	-	-
Total Liabilities	1,230,615	112,329	3,630	-
Deferred Inflows of Resources				
Unavailable revenue - property taxes	3,277	1,414	-	-
Unavailable revenue - due from state	-	-	-	-
Total Deferred Inflows of Resources	3,277	1,414	-	-
Fund Balances				
Nonspendable:				
Prepays	70,060	-	-	-
Restricted for:				
Donor stipulations	-	-	-	-
Capital projects	-	-	7,581,154	-
Public safety	318,051	-	-	-
Visitor services	-	-	-	-
Future projects	-	-	-	4,732,089
Education	-	-	-	-
Committed for:				
Campus activities	-	-	-	-
Unassigned	38,747,187	(112,330)	-	-
Total Fund Balances	39,135,298	(112,330)	7,581,154	4,732,089
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,369,190	\$ 1,413	\$ 7,584,784	\$ 4,732,089

See Notes to Financial Statements.

Westlake Academy	Westlake			Total Governmental Funds
	Academy Expansion Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds	
\$ 1,090,272	\$ 3,199,008	\$ 1,834,191	\$ 55,818,461	
-	-	-	423,156	
65,007	-	22,509	2,474,457	
1,339,781	-	4,489	1,344,270	
168,547	-	12,224	293,100	
39,590	-	7	109,657	
\$ 2,703,197	\$ 3,199,008	\$ 1,873,420	\$ 60,463,101	
\$ 98,731	\$ 116,136	\$ 201,007	\$ 1,042,073	
298,599	-	8,705	488,293	
168,547	-	12,224	293,100	
-	-	4,912	431,969	
565,877	116,136	226,848	2,255,435	
-	-	-	4,691	
42,446	-	-	42,446	
42,446	-	-	47,137	
39,590	-	7	109,657	
2,834	-	-	2,834	
-	3,082,872	676,172	11,340,198	
-	-	-	318,051	
-	-	726,413	726,413	
-	-	243,980	4,976,069	
1,880,695	-	-	1,880,695	
171,755	-	-	171,755	
-	-	-	38,634,857	
2,094,874	3,082,872	1,646,572	58,160,529	
\$ 2,703,197	\$ 3,199,008	\$ 1,873,420	\$ 60,463,101	

* Note: As of June 30, 2024



Town of Westlake, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2024

Fund Balances - Total Governmental Funds	\$ 58,160,529
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Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	12,446,059
Capital assets - net depreciable	68,492,745

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

47,137

Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

Deferred outflows - TMRS pension	638,306
Deferred outflows - TMRS OPEB	1,403
Deferred outflows - TRS pension	3,075,092
Deferred outflows - TRS OPEB	679,748
Deferred inflows - TMRS pension	(284,393)
Deferred inflows - TMRS OPEB	(19,017)
Deferred inflows - TRS pension	(988,289)
Deferred inflows - TRS OPEB	(2,162,939)

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest	(116,247)
Deferred charges on bond refunding, net	175,134
Bond premium	(1,158,251)
Net pension liability - TMRS	(1,340,967)
Net pension liability - TRS	(4,390,064)
OPEB liability - TMRS	(91,291)
OPEB liability - TRS	(1,484,624)
Compensated absences	(422,835)
Non-current liabilities due in one year	(2,659,979)
Non-current liabilities due in more than one year	(28,192,033)

Net Position of Governmental Activities	\$ 100,405,224
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See Notes to Financial Statements.

Town of Westlake, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Page 1 of 2)
For the Year Ended September 30, 2024

	General	Debt Service	Capital Projects	4B EDC
<u>Revenues</u>				
Taxes				
Property tax	\$ 2,175,830	\$ 1,832,327	\$ -	\$ -
Sales tax	8,988,994	-	-	2,996,331
Occupancy tax	-	-	-	-
Franchise and local taxes	922,078	-	-	-
State program revenues	-	-	-	-
Federal program revenues	-	-	-	-
License and permits	6,027,602	-	-	-
Grants/contributions	3,000	-	1,041,997	-
Local and intermediate sources	-	-	-	-
Fines and forfeitures	459,014	-	-	-
Investment income	1,917,887	-	383,607	165,514
Other revenue	200,042	-	-	-
Total Revenues	20,694,447	1,832,327	1,425,604	3,161,845
<u>Expenditures</u>				
Current:				
General government	4,028,620	-	-	-
Public safety	4,046,069	-	-	-
Cultural recreation	336,809	-	-	-
Public works	825,239	-	-	-
Visitor services	-	-	-	-
Education	1,775,047	-	-	-
Debt Service:				
Principal	277,041	2,349,600	-	-
Interest and fiscal charges	10,779	1,084,795	-	-
Bond issuance costs	-	3,500	-	-
Capital outlay	85,424	-	153,767	-
Total Expenditures	11,385,028	3,437,895	153,767	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	9,309,419	(1,605,568)	1,271,837	3,161,845

Westlake Academy	*	Westlake Academy Expansion Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$		\$		\$
-		-	-	4,008,157
-		-	-	11,985,325
-		-	748,500	748,500
-		-	-	922,078
8,093,195		-	-	8,093,195
397,867		-	-	397,867
-		-	-	6,027,602
-		-	180,000	1,224,997
1,907,310		-	-	1,907,310
-		-	-	459,014
-		185,415	24,924	2,677,347
-		-	1,050	201,092
10,398,372		185,415	954,474	38,652,484
-		-	-	4,028,620
-		-	-	4,046,069
-		-	-	336,809
-		-	-	825,239
-		-	270,342	270,342
10,683,313		-	-	12,458,360
161,456		-	55,436	2,843,533
20,422		-	1,903	1,117,899
-		-	-	3,500
-		535,426	-	774,617
10,865,191		535,426	327,681	26,704,988
(466,819)		(350,011)	626,793	11,947,496

Town of Westlake, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Page 2 of 2)
For the Year Ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	4B
				EDC
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ -	\$ 1,761,938	\$ -	\$ -
Transfers (out)	<u>(1,453,264)</u>	<u>-</u>	<u>-</u>	<u>(1,761,938)</u>
Total Other Financing Sources (Uses)	<u>(1,453,264)</u>	<u>1,761,938</u>	<u>-</u>	<u>(1,761,938)</u>
Net Change in Fund Balances	7,856,155	156,370	1,271,837	1,399,907
Beginning fund balances	31,279,143	(268,700)	6,309,317	3,332,182
Ending Fund Balances	<u>\$ 39,135,298</u>	<u>\$ (112,330)</u>	<u>\$ 7,581,154</u>	<u>\$ 4,732,089</u>

See Notes to Financial Statements.

Westlake Academy	Westlake Academy Expansion Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,453,264	\$ -	\$ -	\$ 3,215,202
-	-	-	(3,215,202)
<hr/>	<hr/>	<hr/>	<hr/>
1,453,264	-	-	-
986,445	(350,011)	626,793	11,947,496
1,108,429	3,432,883	1,019,779	46,213,033
<hr/>	<hr/>	<hr/>	<hr/>
2,094,874	\$ 3,082,872	\$ 1,646,572	\$ 58,160,529
<hr/>	<hr/>	<hr/>	<hr/>

* For the fiscal year ended June 30, 2024



Town of Westlake, Texas

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, 2024

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

Net changes in fund balances - total governmental funds	\$ 11,947,496
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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.

Capital outlay	1,315,906
Depreciation expense	(3,178,029)
Disposal of capital assets	(49,517)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (156,694)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(43,175)
Accrued interest	7,103
Pension expense	(709,657)
OPEB expense	280,534

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of deferred loss on refunding	(63,200)
Amortization of premium	127,355
Principal payments on long-term debt	2,823,215
Change in Net Position of Governmental Activities	\$ 12,301,337

See Notes to Financial Statements.

Town of Westlake, Texas

STATEMENT OF NET POSITION (Page 1 of 2) PROPRIETARY FUNDS September 30, 2024

	Utility Fund	Nonmajor		Total		
		Cemetery Fund				
Assets						
Current Assets						
Cash and cash equivalents	\$ 14,252,323	\$ 408,623	\$ 14,660,946			
Accounts receivable, net	1,128,285	420	1,128,705			
Inventory	-	81,087	81,087			
Total Current Assets	15,380,608	490,130	15,870,738			
Noncurrent Assets						
Capital assets:						
Non-depreciable capital assets	329,030	-	329,030			
Net depreciable capital assets	8,372,510	-	8,372,510			
Total Noncurrent Assets	8,701,540	-	8,701,540			
Total Assets	24,082,148	490,130	24,572,278			
Deferred Outflows of Resources						
Deferred outflows - TMRS pension	47,582	-	47,582			
Total Deferred Outflows of Resources	47,582	-	47,582			

Town of Westlake, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUNDS
September 30, 2024

	Utility Fund	Nonmajor Cemetery Fund		Total		
<u>Liabilities</u>						
<u>Current Liabilities</u>						
Accounts payable	\$ 591,272	\$ 4,151	\$	595,423		
Accrued liabilities	19,872	-		19,872		
Customer deposits payable	303,055	-		303,055		
Accrued interest	74,645	-		74,645		
Unearned revenue	326,753	-		326,753		
Compensated absences, current	2,829	-		2,829		
Long-term debt due within one year	578,871	-		578,871		
Total Current Liabilities	1,897,297	4,151		1,901,448		
<u>Noncurrent Liabilities</u>						
Net pension liability - TMRS	100,933	-		100,933		
OPEB liability - TMRS	6,871	-		6,871		
Compensated absences, noncurrent	314	-		314		
Long-term debt due in more than one year	16,963,812	-		16,963,812		
Total Liabilities	18,969,227	4,151		18,973,378		
<u>Deferred Inflows of Resources</u>						
Pension inflows	20,944	-		20,944		
OPEB inflows	1,326	-		1,326		
Deferred gain on refunding	83,812	-		83,812		
Total Deferred Inflows	106,082	-		106,082		
<u>Net Position</u>						
Net investment in capital assets	(8,924,955)	-		(8,924,955)		
Restricted for improvements	-	50,000		50,000		
Unrestricted	13,979,376	435,979		14,415,355		
Total Net Position	\$ 5,054,421	\$ 485,979		\$ 5,540,400		

See Notes to Financial Statements.



Town of Westlake, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2024

	Utility Fund	Nonmajor		Total
		Cemetery Fund		
<u>Operating Revenues</u>				
Charges for services	\$ 7,952,400	\$ 64,507	\$ 8,016,907	
Other revenues	462,537	-	462,537	
Total Operating Revenues	8,414,937	64,507	8,479,444	
<u>Operating Expenses</u>				
Salaries and benefits	348,923	-	348,923	
Supplies and materials	50,164	37,134	87,298	
Repairs and maintenance	2,133,931	1,924	2,135,855	
Utilities	2,050,281	-	2,050,281	
Other operating expenses	179,142	596	179,738	
Depreciation	580,722	-	580,722	
Total Operating Expenses	5,343,163	39,654	5,382,817	
Operating Income (Loss)	3,071,774	24,853	3,096,627	
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	697,130	21,335	718,465	
Interest and fiscal expense	(547,951)	-	(547,951)	
Total Nonoperating Revenues (Expenses)	149,179	21,335	170,514	
Change in Net Position	3,220,953	46,188	3,267,141	
Beginning net position	1,833,468	439,791	2,273,259	
Ending Net Position	\$ 5,054,421	\$ 485,979	\$ 5,540,400	

See Notes to Financial Statements.

Town of Westlake, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2024

	Utility Fund	Nonmajor Cemetery Fund	Total
<u>Cash Flows from Operating Activities</u>			
Payments to employees	\$ (368,240)	\$ -	\$ (368,240)
Payments to suppliers	(4,303,445)	(37,808)	(4,341,253)
Receipts from customers	8,532,025	64,507	8,596,532
Net Cash Provided (Used) by Operating Activities	3,860,340	26,699	3,887,039
<u>Cash Flows from Capital and Related Financing Activities</u>			
Acquisition and construction of capital assets	(169,158)	-	(169,158)
Interest paid on capital debt	(560,978)	-	(560,978)
Principal paid on capital debt	(561,836)	-	(561,836)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,291,972)	-	(1,291,972)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	697,130	21,335	718,465
Net Cash Provided by Investing Activities	697,130	21,335	718,465
Net Increase (Decrease) in Cash and Cash Equivalents	3,265,498	48,034	3,313,532
Beginning cash and cash equivalents	10,986,825	360,589	11,347,414
Ending Cash and Cash Equivalents	\$ 14,252,323	\$ 408,623	\$ 14,660,946

See Notes to Financial Statements.

Town of Westlake, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2024

	Utility Fund	Nonmajor Cemetery Fund		Total		
<u>Reconciliation of Operating Income (Loss)</u>						
<u>to Net Cash Provided (Used) by Operating Activities</u>						
Operating Income (Loss)	\$ 3,071,774	\$ 24,853	\$	3,096,627		
Adjustments to reconcile operating income (loss) to net cash provided (used):						
Depreciation	580,722		-	580,722		
Changes in Operating Assets and Liabilities:						
(Increase) Decrease in:						
Accounts receivable	140,613		-	140,613		
Inventory	-	596		596		
Increase (Decrease) in:						
Accounts payable	106,296	1,250		107,546		
Accrued liabilities	3,777			3,777		
Unearned revenue	(39,788)		-	(39,788)		
Pension outflows	37,261		-	37,261		
OPEB outflows	120		-	120		
Pension inflows	18,962		-	18,962		
OPEB inflows	(336)		-	(336)		
Compensated absences	(19,852)		-	(19,852)		
Net pension liability - TMRS	(56,167)		-	(56,167)		
OPEB liability - TMRS	695		-	695		
Customer deposits	16,263		-	16,263		
Net Cash Provided (Used) by Operating Activities	\$ 3,860,340	\$ 26,699	\$	3,887,039		

See Notes to Financial Statements.

Town of Westlake
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2024

	Solana PID
	Private Purpose
	Trust Fund
<u>Assets</u>	
Current Assets:	
Cash and cash equivalents	\$ 6,355,591
Special assessment receivable - current	525,000
Noncurrent Assets:	
Special assessment receivable - noncurrent	22,350,000
Total Assets	29,230,591

Liabilities

Noncurrent Liabilities:	
Long-term debt	22,875,000
Total Liabilities	22,875,000

Net Position

Restricted for public improvement district	6,355,591
Total Net Position	\$ 6,355,591

See Notes to Financial Statements.

Town of Westlake
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2024

	Solana PID	Private Purpose	Trust Fund
Additions			
Investment earnings	\$ 355,197		
Special assessment collections	2,475,996		
	Total Additions	2,831,193	
Deductions			
Payment to developer	134,520		
Administrative expenses	2,800		
Interest expenses	1,454,375		
	Total Deductions	1,591,695	
	Change in Net Position	1,239,498	
Beginning net position	5,116,093		
	Ending Net Position	\$ 6,355,591	

See Notes to Financial Statements.



Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

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 relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally Accepted Accounting Principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (“GASB”). The more significant accounting policies of the Town are described below.

A. Description of Government-Wide 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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Financial Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body and either it is able to impose its will on that

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

Blended Component Units

4B Economic Development Corporation

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. This component unit is presented as a major governmental fund for the current fiscal year.

Westlake Academy

Westlake Academy (the "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

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

blended component unit of the Town. The Academy's year-end is August 31. This component unit is presented as a major governmental fund for the current fiscal year.

Discretely Presented Component Units

Texas Student Housing Entities

The Texas Student Housing ("TSH") Authority, Texas Student Housing Authority – 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 boards consist 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' years-end are August 31.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

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

As discussed earlier, the government has three discretely presented component units which are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The government reports the following major governmental funds:

General Fund

The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund includes the Town's Major Maintenance and Replacement Fund, Vehicle Replacement Fund, and PID (local) Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the Town. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund

The Capital Projects Fund is used 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.

4B EDC Fund

The 4B EDC Fund accounts for the economic development corporation's activity, a blended component unit.

Westlake Academy Fund

The Westlake Academy Fund accounts for the education activities of the blended component unit.

Westlake Academy Expansion Capital Projects Fund

The Westlake Academy Expansion Capital Projects Fund is used 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, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the Town accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the Town include enterprise funds.

The government reports the following major proprietary funds:

Utility Fund

The Utility fund is utilized to account for revenues and expenses related to providing water and sewer services to the general public on a continuing basis.

Additionally, the Town reports for the following fund types:

Special Revenue Funds

The Town accounts for resources restricted to, or designed for, specific purposes in a special revenue fund.

Fiduciary Funds

The Solana PID private purpose trust fund accounts for bond proceeds, assessments, and related debt associated with bonds issued by the Town as an agent for the Solana Public Improvement District.

D. Measurement Focus and Basis of Accounting

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

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

The 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 government 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Custodial funds use the economic resources measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The Town's cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because the Town, at its option, can withdraw funds within a twenty-four hour period from TexPool and Texas Class, these investments are considered 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 and 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 approved by the Town, and placed through a primary government securities dealer. The Town's investments are governed by the same state statutes.

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.

2. Fair Value

The Town has applied Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (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" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventory is carried at historical cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of governmental and enterprise fund cash and investments are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, legal restrictions, or restrictions in place by outside parties.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life of three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession are recorded at acquisition value on the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Buildings	20-50 Years
Improvements other than buildings	5-30 Years
Machinery and equipment	3-30 Years
Information systems and software	3 Years
Infrastructure (water and sewer system)	10-50 Years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. 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, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Leases

The Town is a lessee for a noncancelable lease of a building and office equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an individual value of \$10,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

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

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

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

11. Pensions

For purposes of measuring the net pension liabilities, related deferred outflows and inflows of resources, and pension 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 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.

For TRS, information regarding the Town's Total Pension 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.

12. Other Postemployment Benefits ("OPEB")

The Town has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDB covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDB is considered to be an unfunded OPEB plan. For purposes of reporting under GASB No. 75, the retiree portion of the SDB is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. 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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

For TRS, information regarding the Town's 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. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

13. Net Position Flow Assumption

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

14. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

15. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (Council) has by resolution authorized the Director of Finance and Financial Services to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The general fund is the only fund that reports a positive unassigned fund balance amount.

16. Estimates

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

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental funds that, “the issuance of long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all governmental funds, with the exception of Solana PID capital projects, which is a project-length based budget. The original budget is adopted by the Town Council prior to the beginning of the year. The legal level of control as defined by the Council-approved policy is the fund level. No funds can be transferred or added which affect the total fund expenditures without Town Council approval. Appropriations lapse at the end of the year.

As of September 30, 2024, expenditures exceeded appropriations at the legal level of control (fund level) as follows:

4B Economic Development Corporation	138,802
Capital Projects Fund	38,767

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

A. Restricted Net Position

The Town records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted net position for the primary government was \$19,294,260. Of which, \$318,051 is restricted by enabling legislation.

B. Deficit Equity

At September 30, 2024, the debt service fund had a deficit fund balance of \$112,330. The deficit balance will be eliminated in the future through reduction of expenses, increase in revenues, or reimbursements from other funds.

NOTE 4. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's cash deposits at September 30, 2024 and during the year ended September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

Legal and contractual provisions governing deposits and investments

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 an 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, and (8) investment staff quality and capabilities.

The Act also requires the Town to have independent auditors perform test procedures related to investment practices as provided by the Act. The Town is in substantial compliance with the requirements of the Act and with local policies.

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

As of September 30, 2024, the Town had the following investments:

Investment Type	Carrying Value	Weighted Average Maturity (Years)
TexPool investment	\$ 105	0.07
TexasClass investment	26,590,853	0.10
Total fair value	<u><u>\$ 26,590,958</u></u>	
Portfolio weighted average maturity		0.10

Interest rate risk: In compliance with the Town's Investment Policy, as of September 30, 2024, the Town minimized the interest rate risk, related to current events market turmoil in the portfolio by: 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 31 days thus reducing the interest rate risk.

Credit risk: The Town's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAm, or equivalent, by at least one nationally recognized rating service. As of September 30, 2024, all of the Town's purchased investments in U.S. Agencies Obligations were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2024, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy requires that it will seek to safeguard securities at financial institutions, avoiding physical possession.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the Town's safeguard account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAA. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2024, the fair value of the position in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. Finally, Standard & Poor's rate Texas CLASS AAA. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

B. Receivables

The following comprise receivable balances of the primary government at year end:

	Governmental Activities					
	General	Westlake Academy	Debt Service	4B EDC	Nonmajor Governmental	Total
Property taxes	\$ 4,370	\$ -	\$ 1,884	\$ -	\$ -	\$ 6,254
Sales tax	1,521,156	-	-	507,051	-	2,028,207
Franchise taxes	288,793	-	-	-	-	288,793
Hotel occupancy	-	-	-	-	22,509	22,509
Due from other govts.	-	1,339,781	-	-	4,489	1,344,270
Other	172,441	65,007	-	-	-	237,448
Allowance	(108,283)	-	(471)	-	-	(108,754)
Total	\$ 1,878,477	\$ 1,404,788	\$ 1,413	\$ 507,051	\$ 26,998	\$ 3,818,727

	Business-Type Activities		
	Utility Cemetery		Total
	Fund	Fund	
Accounts	\$ 1,128,285	\$ 420	\$ 1,128,705
Total	\$ 1,128,285	\$ 420	\$ 1,128,705

The following comprise receivable balances of the component units at year end:

	TSH	TSH Auth. -	TSH Corp. -	Total
	Authority	College Station	Denton Project	
Tenants	\$ -	\$ 19,585	\$ 63,284	\$ 82,869
Cambridge	344,615	-	-	344,615
Other	-	-	3,885	3,885
Allowance	(344,615)	-	-	(344,615)
Total	\$ -	\$ 19,585	\$ 67,169	\$ 86,754

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 12,446,059	\$ -	\$ -	\$ 12,446,059
Construction in progress	571,216	-	(571,216)	-
Total capital assets not being depreciated	<u>13,017,275</u>	<u>-</u>	<u>(571,216)</u>	<u>12,446,059</u>
Capital assets, being depreciated:				
Capital improvements	40,219,866	250,361	571,216	41,041,443
Buildings	47,988,792	504,079	(49,517)	48,443,354
Machinery and equipment	5,877,572	372,598	-	6,250,170
Information systems and software	1,503,042	188,868	-	1,691,910
Right of use assets - Town	2,160,094	-	-	2,160,094
Right of use assets - Academy	840,769	-	-	840,769
Total capital assets being depreciated	<u>98,590,135</u>	<u>1,315,906</u>	<u>521,699</u>	<u>100,427,740</u>
Less accumulated depreciation				
Capital improvements	10,249,073	1,123,172	-	11,372,245
Buildings	11,507,850	1,095,875	-	12,603,725
Machinery and equipment	4,828,063	295,371	-	5,123,434
Information systems and software	1,038,676	145,045	-	1,183,721
Right of use assets - Town	517,919	194,552	-	712,471
Right of use assets - Academy	615,385	324,014	-	939,399
Total accumulated depreciation	<u>28,756,966</u>	<u>3,178,029</u>	<u>-</u>	<u>31,934,995</u>
Net capital assets being depreciated	69,833,169	(1,862,123)	521,699	68,492,745
Total capital assets	<u>\$ 82,850,444</u>	<u>\$ (1,862,123)</u>	<u>\$ (49,517)</u>	<u>\$ 80,938,804</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,440,988
Public safety	585,082
Public works	957,407
Education	194,552
Total Governmental Activities Depreciation Expense	<u>\$ 3,178,029</u>

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning		Decreases/		Ending
	Balances	Increases	Reclassifications		Balances
Capital assets, not being depreciated:					
Construction in progress	\$ 329,030	\$ -	\$ -		\$ 329,030
Total capital assets not being depreciated	<u>329,030</u>	<u>-</u>	<u>-</u>		<u>329,030</u>
Capital assets, being depreciated:					
Capital improvements	14,899,416	85,843		-	14,985,259
Wastewater treatment rights	635,199	-		-	635,199
Machinery and equipment	3,804,045	83,315		-	3,887,360
Right of use assets	381,193	-		-	381,193
Total capital assets being depreciated	<u>19,719,853</u>	<u>169,158</u>	<u>-</u>		<u>19,889,011</u>
Less accumulated depreciation					
Capital improvements	7,331,839	361,490		-	7,693,329
Wastewater treatment rights	635,199	-		-	635,199
Machinery and equipment	2,858,143	162,053		-	3,020,196
Right of use assets	110,598	57,179		-	167,777
Total accumulated depreciation	<u>10,935,779</u>	<u>580,722</u>	<u>-</u>		<u>11,516,501</u>
Net capital assets being depreciated	<u>8,784,074</u>	<u>(411,564)</u>	<u>-</u>		<u>8,372,510</u>
Total capital assets	<u><u>\$ 9,113,104</u></u>	<u><u>\$ (411,564)</u></u>	<u><u>\$ -</u></u>		<u><u>\$ 8,701,540</u></u>

Depreciation expense was charged to business-type activities as follows:

Water and sewer	\$ 580,722
Total Business-Type Activities Depreciation Expense	<u>\$ 580,722</u>

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

A summary of changes in capital assets for the Town's discretely presented component units, as of the year end was as follows:

	Beginning		Decreases/		Ending
	Balances	Increases	Reclassifications		Balances
Capital assets, not being depreciated:					
Land	\$ 5,099,597	\$ -	\$ -		\$ 5,099,597
Construction in progress	1,567	-	-		1,567
Total capital assets not being depreciated	<u>5,101,164</u>	<u>-</u>	<u>-</u>		<u>5,101,164</u>
Capital assets, being depreciated:					
Buildings and improvements	65,814,507	1,904,400	-		67,718,907
Furniture and equipment	5,107,497	151,439	-		5,258,936
Total capital assets being depreciated	<u>70,922,004</u>	<u>2,055,839</u>	<u>-</u>		<u>72,977,843</u>
Less accumulated depreciation					
Buildings and improvements	37,480,430	2,105,018	-		39,585,448
Furniture and equipment	3,918,197	269,033	-		4,187,230
Total accumulated depreciation	<u>41,398,627</u>	<u>2,374,051</u>	<u>-</u>		<u>43,772,678</u>
Net capital assets being depreciated	<u>29,523,377</u>	<u>(576,021)</u>	<u>-</u>		<u>29,205,165</u>
Total capital assets	<u>\$ 34,624,541</u>	<u>\$ (576,021)</u>	<u>\$ -</u>		<u>\$ 34,306,329</u>

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

D. Other Long-term Liabilities

The following summarizes the changes in other long-term liabilities of the primary government during the year. The general and utility fund has typically been used to liquidate the liability for compensated absences for governmental activities and business-type activities, respectively.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 379,660	\$ 455,182	\$ (412,007)	\$ 422,835	\$ 380,552
Total Governmental Activities	\$ 379,660	\$ 455,182	\$ (412,007)	\$ 422,835	\$ 380,552
Long-term Liabilities Due in More than One Year					
				\$ 42,283	
Business-Type Activities:					
Compensated Absences	\$ 22,995	\$ 3,384	\$ (23,236)	\$ 3,143	\$ 2,829
Total Business-Type Activities	\$ 22,995	\$ 3,384	\$ (23,236)	\$ 3,143	\$ 2,829
Long-term Liabilities Due in More than One Year					
				\$ 314	

E. Long-term Debt

The Town periodically 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. The Town also periodically utilizes notes and leases to provide financing for general government purposes. In general, the Town uses the debt service fund and general fund to liquidate governmental long-term liabilities.

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

The following is a summary of changes in the Town's total long-term liabilities for the year ended September 30, 2024.

	Beginning Balance	Additions	Refundings/ Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 10,600,000	\$ -	\$ (1,090,000)	\$ 9,510,000	\$ 1,105,000
Certificates of Obligation	17,397,600	-	(573,600)	16,824,000	588,600
Tax Notes	3,784,000	-	(686,000)	3,098,000	471,000
Less deferred amounts:					
For premiums	1,285,606	-	(127,355)	1,158,251	-
Lease liabilities - Academy	364,260	-	(194,552)	169,708	169,708
Lease liabilities - Town	1,511,025	-	(260,721)	1,250,304	325,671
Notes payable	18,342	-	(18,342)	-	-
Total Governmental Activities	\$ 34,960,833	\$ -	\$ (2,950,570)	\$ 32,010,263	\$ 2,659,979
				Long-term liabilities due in more than one year	\$ 29,350,284
Business-Type Activities:					
Certificates of Obligation	\$ 2,542,400	\$ -	\$ (121,400)	\$ 2,421,000	\$ 121,400
General Obligation Refunding Bonds	14,550,000	-	(385,000)	14,165,000	400,000
Lease liabilities - Town	276,078	-	(55,436)	220,642	57,471
Less deferred amounts:					
For premiums	745,424	-	(9,383)	736,041	-
Total Business-Type Activities	\$ 18,113,902	\$ -	\$ (571,219)	\$ 17,542,683	\$ 578,871
				Long-term liabilities due in more than one year	\$ 16,963,812
Component Unit Activities:					
Revenue Bonds - Denton Project	\$ 21,380,000	\$ -	\$ -	\$ 21,380,000	\$ 21,380,000
Revenue Certificates - College Station	28,205,000	-	-	28,205,000	28,205,000
Line of credit	15,883,639	-	-	15,883,639	15,883,639
Less deferred amounts:					
For discounts	(259,989)	-	37,485	(222,504)	(222,504)
Total Component Unit Activities	\$ 65,208,650	\$ -	\$ 37,485	\$ 65,246,135	\$ 65,246,135

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. Leases are secured by the

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

At year end, long-term debt of governmental activities was comprised of the following debt issues:

Governmental Activities:

Description	Interest Rate	Final Maturity	Original Amount	Balance 9/30/2024
General Obligation Bonds:				
Refunding, Series 2013	2.23 %	2028	\$ 2,200,000	\$ 640,000
Refunding, Series 2014	3.47 %	2032	1,910,000	1,500,000
Refunding, Series 2017	3.93 %	2032	5,795,000	5,555,000
Refunding, Series 2021	0.61 %	2031	4,430,000	1,815,000
			\$ 14,335,000	\$ 9,510,000
Certificates of Obligation:				
Series 2013	3.42 %	2043	9,320,000	6,319,000
Series 2016	3.39 %	2046	9,180,000	7,660,000
Series 2021	1.63 %	2041	3,215,000	2,845,000
			\$ 21,715,000	\$ 16,824,000
Tax Notes				
Tax Note, Series 2023	3.59 %	2030	3,552,000	3,098,000
			\$ 5,082,000	\$ 3,098,000
Lease liabilities				
Academy	5.00 %	2025	\$ 581,716	\$ 169,708
Town - Terrace at Solana	1.00 %	2028	2,160,094	1,250,304
			\$ 2,741,810	\$ 1,420,012
		Total	\$ 44,240,584	\$ 30,852,012

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Business-type Activities:

Description	Interest		Final Maturity	Original Amount	Balance
	Rate	%			
General Obligation Bonds:					
Refunding, Series 2022	3.00	%	2047	\$ 14,920,000	\$ 14,165,000
				<u>\$ 14,920,000</u>	<u>\$ 14,165,000</u>
Certificates of Obligations:					
Series 2013	2.00 - 4.00	%	2043	\$ 9,320,000	\$ 781,000
Series 2018	1.98 - 3.06	%	2028	2,100,000	1,640,000
				<u>\$ 11,420,000</u>	<u>\$ 2,421,000</u>
Lease Liabilities					
Town - Terrace at Solana	1.00	%	2028	\$ 381,193	\$ 220,642
				<u>\$ 381,193</u>	<u>\$ 220,642</u>
			Total	\$ 26,721,193	\$ 16,806,642

Component Unit Activities:

Description	Interest		Final Maturity	Original Amount	Balance
	Rate	%			
Revenue Bonds:					
2001 A Bonds	5.0 - 11.0	%	2031	\$ 26,955,000	\$ 18,140,000
2001 B Bonds	5.0 - 11.0		2031	<u>3,240,000</u>	<u>3,240,000</u>
				<u>\$ 30,195,000</u>	<u>\$ 21,380,000</u>
Revenue Certificates:					
2004 A Bonds	7.0	%	2040	17,500,000	15,135,000
2004 B Bonds	9.7		2024	4,900,000	3,000,000
2004 C Bonds	7.0		2039	4,820,000	4,690,000
2004 D Bonds	7.0		2040	<u>5,380,000</u>	<u>5,380,000</u>
				<u>\$ 32,600,000</u>	<u>\$ 28,205,000</u>
Line of credit:					
Bondholder advances	10.0	%	n/a	\$ 5,000,000	\$ 15,883,639
				<u>\$ 5,000,000</u>	<u>\$ 15,883,639</u>
			Total	\$ 67,795,000	\$ 65,468,639

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

The annual requirements to amortize long-term debt outstanding of governmental activities as of September 30, 2024, are as follows:

Year Ending September 30,	General Obligation Refunding Bonds		Total Requirements
	Principal	Interest	
2025	\$ 1,105,000	\$ 338,260	\$ 1,443,260
2026	1,135,000	299,513	1,434,513
2027	1,170,000	259,370	1,429,370
2028	1,215,000	217,765	1,432,765
2029	1,190,000	172,750	1,362,750
2030-2032	3,695,000	225,174	3,920,174
Total	\$ 9,510,000	\$ 1,512,832	\$ 11,022,832

Year Ending September 30,	Certificates of Obligation		Total Requirements
	Principal	Interest	
2025	\$ 588,600	\$ 571,498	\$ 1,160,098
2026	611,950	552,165	1,164,115
2027	631,400	531,851	1,163,251
2028	650,300	510,611	1,160,911
2029	772,100	486,631	1,258,731
2030-2034	4,163,400	2,013,920	6,177,320
2035-2039	4,335,400	1,342,674	5,678,074
2040-2044	4,090,850	552,211	4,643,061
2045-2046	980,000	39,600	1,019,600
Total	\$ 16,824,000	\$ 6,561,561	\$ 22,405,561

Year Ending September 30,	Tax Notes		Total Requirements
	Principal	Interest	
2025	\$ 471,000	\$ 102,764	\$ 573,764
2026	488,000	85,550	573,550
2027	506,000	67,707	573,707
2028	525,000	49,201	574,201
2029	544,000	30,012	574,012
2030	564,000	10,124	574,124
Total	\$ 3,098,000	\$ 345,358	\$ 3,443,358

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued September 30, 2024

Year Ending September 30,	Lease Liabilities - Town		Total Requirements
	Principal	Interest	
2025	\$ 325,671	\$ 9,612	335,283
2026	337,303	6,725	344,028
2027	349,038	3,737	352,775
2028	238,292	780	239,072
Total	\$ 1,250,304	\$ 20,854	\$ 1,271,158

As of September 30, 2024, the total net carrying value of the Town's right to use assets was \$1,447,623.

Year Ending September 30,	Lease Liabilities - Academy		Total Requirements
	Principal	Interest	
2025	\$ 169,708	\$ 3,913	\$ 173,621
Total	\$ 169,708	\$ 3,913	\$ 173,621

As of September 30, 2024, the total net carrying value of the Academy's right to use assets was \$98,630.

The annual requirements to amortize long-term debt outstanding of business-type activities as of September 30, 2024, are as follows:

Business-Type Activities

Year Ending September 30,	Certificates of Obligation		Total Requirements
	Principal	Interest	
2025	\$ 121,400	\$ 74,884	\$ 196,284
2026	128,050	71,542	199,592
2027	133,600	67,950	201,550
2028	134,700	64,189	198,889
2029	152,900	59,997	212,897
2030-2034	816,600	225,171	1,041,771
2035-2039	739,600	91,484	831,084
2040-2043	194,150	15,939	210,089
Total	\$ 2,421,000	\$ 671,156	\$ 3,092,156

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Year Ending <u>September 30,</u>	Contractual Obligations		Total Requirements
	Principal	Interest	
2025	\$ 400,000	\$ 465,300	\$ 865,300
2026	420,000	448,900	868,900
2027	435,000	431,800	866,800
2028	450,000	414,100	864,100
2029	470,000	395,700	865,700
2030-2034	2,660,000	1,674,100	4,334,100
2035-2039	3,165,000	1,167,675	4,332,675
2040-2044	3,675,000	655,725	4,330,725
2045-2047	2,490,000	113,550	2,603,550
Total	<u>\$ 14,165,000</u>	<u>\$ 5,766,850</u>	<u>\$ 19,931,850</u>

Year Ending <u>September 30,</u>	Lease Liabilities - Town		Total Requirements
	Principal	Interest	
2025	\$ 57,471	\$ 1,696	59,167
2026	59,524	1,187	60,711
2027	61,595	660	62,255
2028	42,052	780	42,832
Total	<u>\$ 220,642</u>	<u>\$ 4,323</u>	<u>\$ 224,965</u>

As of September 30, 2024, the total net carrying value of the Town's right to use assets was \$213,416.

The following are the annual requirements to amortize long-term debt outstanding of the component units as of September 30, 2024. However, as the components have not met the compliance requirements and are in default, the entire balance is considered a current liability. All unpaid interest is accrued for and included in accrued liabilities.

Component Unit Activities - Denton Project

Year Ending <u>September 30,</u>	Revenue Bonds		Total Requirements
	Principal	Interest	
Past due	\$ 7,055,000	\$ 3,447,359	\$ 10,502,359
2025	1,645,000	1,035,835	2,680,835
2026	1,765,000	917,550	2,682,550
2027	1,890,000	790,423	2,680,423
2028	2,025,000	654,110	2,679,110
2029	2,175,000	507,720	2,682,720
2030	2,330,000	350,225	2,680,225
2031	2,495,000	181,283	2,676,283
Total	<u>\$ 21,380,000</u>	<u>\$ 7,884,505</u>	<u>\$ 29,264,505</u>

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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, as well as secured by the property. 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, 2024, 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, 2024. 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.

Component Unit Activities - College Station Project

Year Ending September 30,	Revenue Bonds		Total Requirements
	Principal	Interest	
Past due	\$ 10,820,000	\$ 27,712,735	\$ 38,532,735
2025	1,040,000	1,301,455	2,341,455
2026	915,000	1,214,688	2,129,688
2027	675,000	1,149,558	1,824,558
2028	725,000	1,096,440	1,821,440
2029	780,000	1,039,243	1,819,243
2030	840,000	977,548	1,817,548
2031-2035	5,270,000	3,779,816	9,049,816
2036-2040	7,140,000	1,349,949	8,489,949
Total	\$ 28,205,000	\$ 39,621,432	\$ 67,826,432

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, 2024.

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, 2024, 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. The Bonds are payable solely from the revenues

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

generated by the College Station Property and are secured by the revenues pledged and assigned under the terms of the Trust Indenture, as well as secured by the property.

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.

The component unit, Texas Student Housing Authority College Station Project signed a loan agreement on October 18, 2021. This agreement establishes a committed revolving line of credit, allowing the Borrower to request advances from the Lender until the Expiration Date. The advances accrue interest at 10%. The total outstanding amount under this arrangement was initially \$5,000,000, referred to as the "Line of Credit," of which \$11,084,842 was recorded as proceeds during the year.

The following are the annual requirements to amortize long-term debt outstanding of the Public Improvement District (PID) as of September 30, 2024. The town is not obligated in any manner for the special assessment debt but merely acts as the developer's agent in handling the debt service PID. The bond is fully serviced by the special assessments received.

Year ending September 30,	Special Assessment Bonds			Total
	Principal	Interest		
2025	\$ 525,000	\$ 1,426,875		\$ 1,951,875
2026	575,000	1,398,000		1,973,000
2027	600,000	1,362,781		1,962,781
2028	650,000	1,326,031		1,976,031
2029	675,000	1,286,219		1,961,219
2030-2034	4,150,000	5,749,688		9,899,688
2035-2039	5,750,000	4,286,563		10,036,563
2040-2044	8,000,000	2,218,344		10,218,344
2045-2049	1,950,000	124,313		2,074,313
Total	\$ 22,875,000	\$ 19,178,813		\$ 42,053,813

F. Unearned Revenue

Unearned revenue in the proprietary fund of \$326,753 relates to the collection of the entire amount due on sixteen Ductbank leases as follows: five leases with AT&T local network services ranging from 5 – 30 years; five leases with Verizon Southwest ranging from 5-30 years; one five-year leases with MCI Metro; and one five-year lease with L3 Communications for use of the Town's Ductbank.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Governmental funds also reported unearned revenues. Governmental unearned revenues totaled \$431,969, of which \$427,057 was from State and Local Fiscal Recovery Funds. These funds were received in advance of funds being earned.

G. Deferred Charges on Refunding

A deferred charge resulting from the issuance of the 2010 and 2015 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. The net balance outstanding as of September 30, 2024 was \$332,570 for government-type activity reflected in the government-wide statements. Current year amortization expense totaled \$106,071.

H. Deferred Gain on Refunding

A deferred gain resulting from the issuance of the 2021 and 2022 general obligation refunding bonds has been recorded as deferred inflow of resources. The net balance outstanding as of September 30, 2024 was \$75,389 and \$83,812 for governmental activities and business-type activities, respectively. Current year amortization expense totaled \$18,847 and \$3,644, respectively.

I. Interfund Transactions

The compositions of interfund balances as of the year ended September 30, 2024 were as follows:

Due From (Receivable Fund):	Due To (Payable Fund):		
	Debt	Visitors	Total
Service	Association		
General fund	\$ 112,329	\$ -	\$ 112,329
Economic Development	-	12,224	12,224
Total	\$ 112,329	\$ 12,224	\$ 124,553

Interfund receivables and payables are used to cover operational and capital expenditures.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

Transfers between funds during the year are as follows:

Transfer Out:	Transfer In:		
	Westlake Academy	Debt Service	Total
General	\$ 1,453,264	\$ -	\$ 1,453,264
4B EDC	-	1,761,938	1,761,938
Total	\$ 1,453,264	\$ 1,761,938	\$ 3,215,202

Transfers were primarily used to support debt services and expenditures, as well as general administrative costs.

NOTE 5. OTHER INFORMATION

A. 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.

B. Contingent Liabilities & Commitments

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.

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

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

sewer line. Costs associated with this agreement for the year ended September 30, 2024, were \$1,006,727.

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, 2024, was \$1,483,271.

C. Defined Benefit Pension Plans

Texas Municipal Retirement System

Plan Description

The Town of Westlake, Texas participates as one of 919 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member board of trustees. Although the Governor, with the advice and consent of the Senate, appoints the board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the 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 payment 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.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the Town were as follows:

	<u>Plan Year 2022</u>	<u>Plan Year 2023</u>
Employee deposit rate	7%	7%
Matching ratio (town to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI repeating	0% of CPI repeating

The Town also participates in Social Security.

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	45
Active employees	44
Total	115

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.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Employees for the Town of Westlake, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town of Westlake, Texas were 12.08% and 12.27% in calendar years 2023 and 2024, respectively. The Town's contributions to TMRS for the year ended September 30, 2024, were \$562,313 and were more than the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum. The town should insert the plan provisions that they have adopted. For example, the town may include retirement eligibility, employee and employer deposit rates, vesting requirements, and other provisions such as cost-of-living adjustments or updated service credit. Plan provisions, by town, are available on the website under For Cities | Resources | Plan Design. The town may also want to refer to TMRS' Plan Description footnote, in the Annual Report, to obtain additional language regarding the pension plan.⁷⁸ ¹⁶ mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. 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. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public and Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
Total	100.0%	

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 member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/22	\$ 13,096,720	\$ 10,852,428	\$ 2,244,292
Changes for the year:			
Service Cost	791,237	-	791,237
Interest	892,802	-	892,802
Difference between expected and actual experience	(325,903)	-	(325,903)
Changes of assumptions	(11,197)	-	(11,197)
Contributions – employer	-	562,313	(562,313)
Contributions – employee	-	331,613	(331,613)
Net investment income	-	1,263,452	(1,263,452)
Benefit payments, including refunds of emp. contributions	(531,282)	(531,282)	-
Administrative expense	-	(7,991)	7,991
Other changes	-	(56)	56
Net changes	815,657	1,618,049	(802,392)
Balance at 12/31/23	\$ 13,912,377	\$ 12,470,477	\$ 1,441,900

The Town uses the general fund to liquidate pension liabilities.

Sensitivity of the Net Position 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	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 3,526,815	\$ 1,441,900	\$ (259,507)

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.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued* September 30, 2024

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

For the year ended September 30, 2024, the Town recognized a pension expense of \$549,316. This amount is included as part of expenses within the functional program activities.

At September 30, 2024, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	\$ -	\$ (299,198)
Changes in actuarial assumptions		(6,139)
Differences between expected and actual economic experience	263,510	-
Contributions subsequent to the measurement date	422,378	-
Total	\$ 685,888	\$ (305,337)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$422,378 will be recognized as a reduction of the net pension liability for the year ending September 30, 2025.

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

Year ended December 31:		
2024	\$ (1,912)	
2025	2,216	
2026	108,548	
2027	(150,679)	
2028	-	
Thereafter	-	
	\$ (41,827)	

Texas Retirement System of Texas

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

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

(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 online at 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.

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 postemployment 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.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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 86th 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.

Schedule of Contribution Rates

Contribution Rates	2023 (Rate)	2024 (Rate)
Member	8.00%	8.25%
Non-employer contributing entity (State)	8.00%	8.25%
Employers	8.00%	8.25%

The employer and member contributions for the Academy's fiscal year 2024 amounted to \$295,372 and \$490,370, respectively. The State's contributions for plan year 2023 (measurement year) amounted to \$299,155.

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, 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 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 percent of the

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.
- 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.

Actuarial Assumptions

The Total Pension Liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2022
Actuarial Cost Method	Individual entry age normal
Asset Valuation Method	Market value
Single Discount Rate	7.00%
Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	2.33% as reported in Fidelity Index's 20-year Municipal GO
Inflation	2.30% per year
Overall payroll growth	3.05% to 9.05%, including inflation
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 used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2022.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued* September 30, 2024

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50 percent of payroll in fiscal year 2024 gradually increasing to 9.56 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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 rate of return on pension plan investments is 7.00 percent. 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 as of August 31, 2023 (see page 56 of the TRS ACFR) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Geometric)	Expected Contribution to Long-Term Portfolio Returns
Global Equity	54.0%	20.3%	4.10%
Stable Value	21.0%	10.2%	0.70%
Real Return	21.0%	4.9%	1.50%
Risk Parity	8.0%	4.5%	0.40%
Asset Allocation Leverage	(4.0) %	8.1 %	(0.10)%
Inflation			2.30%
Volatility Drag			(0.90) %
Total	100.0%		

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the Town, calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease	Current Single Rate	1% Increase
6.00%	Assumption 7.00%	8.00%
\$ 6,563,389	\$ 4,390,064	\$ 2,582,943

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

At June 30, 2024, the Academy reported a liability of \$4,390,064 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	\$4,390,064
State's proportionate share that is associated with Academy	<u>3,997,690</u>
Total	<u>\$8,387,754</u>

The net pension liability was measured as of August 31, 2022 (and rolled forward to August 31, 2023) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2022 thru August 31, 2023.

At August 31, 2023, the employer's proportion of the collective net pension liability was 0.0063911% which was an increase of 0.0005543632% from its proportion measured as of August 31, 2022.

Changes since the Prior Measurement Date

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued *September 30, 2024*

The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost-of-living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of June 30, 2024.

For the year ended June 30, 2024, the Academy recognized pension expense of \$1,607,920 and revenue of \$603,617 for support provided by the State.

At June 30, 2024, the Academy reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	\$ 156,419	\$ (53,159)
Changes in actuarial assumptions	415,214	(101,612)
Differences between expected and actual economic experience	1,371,762	(732,901)
Changes in proportion and differences in contributions	836,325	(100,617)
Contributions subsequent to the measurement date	<u>295,372</u>	-
Total	<u><u>\$ 3,075,092</u></u>	<u><u>\$ (988,289)</u></u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$295,372 will be recognized as a reduction of the net pension liability for the year ending June 30, 2025.

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

Year ended August 31:	
2025	\$ 479,211
2026	387,001
2027	651,270
2028	227,797
2029	46,152
Thereafter	-
	<u><u>\$ 1,791,431</u></u>

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

D. Postemployment Benefits Other Than Pensions

The Town also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) 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. The Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn't meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The Town offers supplemental death to:	Plan Year 2022	Plan Year 2023
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The Town 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.

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	3
Active employees	44
Total	66

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

The Town's contributions to the TMRS SDBF for the years ended 2024 and 2023 were \$1,679, and \$1,452, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates

(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.03%	0.03%	100.0%
2023	0.03%	0.03%	100.0%
2024	0.04%	0.04%	100.0%

Total OPEB Liability

The Town's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.6% to 11.85%, including inflation per year
Discount rate	3.77%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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 4.05%, as well as what the Town's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

1% Decrease	Current Single Rate	1% Increase
2.77%	Assumption 3.77%	4.77%
<u>\$ 118,532</u>	<u>\$ 98,162</u>	<u>\$ 82,285</u>

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/22	\$ 88,234
Changes for the year:	
Service Cost	6,156
Interest	3,669
Difference between expected and actual experience	(3,698)
Changes of assumptions	5,222
Benefit payments	(1,421)
Net changes	9,928
Balance at 12/31/23	\$ 98,162

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

For the year ended September 30, 2024, the Town recognized OPEB expense of \$8,553.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued* September 30, 2024

At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ -	\$ (2,624)
Changes in assumptions	- -	(17,719)
Contributions subsequent to measurement date	1,403	-
Total	\$ 1,403	\$ (20,343)

The Town reported \$1,102 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2025.

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

Year ended December 31:		
2024	\$ (1,672)	
2025	(1,369)	
2026	(1,815)	
2027	(5,535)	
2028	(5,816)	
Thereafter	(4,136)	
		\$ (20,343)

E. Defined Other Post Employment Benefit Plan

Texas Retirement System – 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 benefit OPEB plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature. The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. 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. The Board may adopt rules, plans,

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

TRS-Care Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/2023%20ACFR%20Final%2011-20-2023.pdf>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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 a retiree with and without Medicare coverage.

TRS-Care Monthly Premium Rates

	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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% or not more than 0.75% 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.

Schedule of Contribution Rates

Contribution Rates	2023 (Rate)	2024 (Rate)
Active employee	0.65%	0.65%
Non-employer contributing entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding	1.25%	1.25%

The employer and member contributions for the Academy's fiscal year 2023 amounted to \$50,495 and \$38,634, respectively. The State's contributions for plan year 2022 (measurement year) amounted to \$70,196.

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 received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

Actuarial assumptions:

The actuarial valuation of the total OPEB liability was performed as of August 31, 2022. Update procedures were used to roll forward the total OPEB liability to August 31, 2023. The actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2023 TRS ACFR, Note 9, page 79.*

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 demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2021.

Actuarial cost method	Individual entry age normal
Inflation	2.3% per year
Discount rate	3.91%, as reported in Fidelity Index's 20-year Municipal GO AA Index as of August 31, 2021
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.
Healthcare trend rates	9% for Medicare retirees and 7.30% for non-Medicare retirees
Administrative expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.

Discount Rate

A single discount rate of 4.13% was used to measure the total OPEB liability at August 31, 2023. This was an increase of 0.22% in the discount rate since the previous measurement date.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2023 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the Academy, calculated using the discount rate of 3.91%, as well as what the Academy’s total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.91%) or 1-percentage-point higher (4.91%) than the current rate:

	1% Decrease 3.13%	Discount Rate 4.13%	1% Increase 5.13%
Academy's proportionate share of the net OPEB liability	<u>\$ 1,748,578</u>	<u>\$ 1,484,624</u>	<u>\$ 1,269,231</u>

Healthcare 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 Trend Rate	Trend Rate	1% Increase in Trend Rate
Academy's proportionate share of the net OPEB liability	<u>\$ 1,222,513</u>	<u>\$ 1,484,624</u>	<u>\$ 1,821,830</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the Academy reported a liability of \$1,484,624 for its proportionate share of the 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 pension liability	\$1,484,624
State's proportionate share that is associated with Academy	<u>1,791,427</u>
Total	<u>\$3,276,051</u>

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

The Net OPEB Liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. 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, 2022 thru August 31, 2023.

At August 31, 2023 the employer's proportion of the collective Net OPEB Liability was .006706%, which was an increase of .00011191% the same proportion measured as of August 31, 2022.

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 increased from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023. This change increased the total OPEB liability.

Changes of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2024, the Academy recognized OPEB gain of \$619,359 and revenue of \$382,969 for support provided by the State.

At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ 67,168	\$ (1,249,030)
Changes in actuarial assumptions	202,640	(909,075)
Difference between projected and actual investment earnings	641	-
Changes in proportion and difference between the employer's contributions and proportionate share of contributions	358,804	(4,834)
Contributions subsequent to the measurement date	50,495	-
Total	\$ 679,748	\$ (2,162,939)

The Academy reported \$50,495 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability for the year ending August 31, 2024.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

Year ended August 31:

2025	\$ (359,984)
2026	(291,890)
2027	(199,703)
2028	(230,043)
2029	(193,930)
Thereafter	<u>(258,136)</u>
	<u><u>\$ (1,533,686)</u></u>

F. Health Care Coverage

During the period ended August 31, 2023, employees of the Academy 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, under the TRS Publications heading.

G. 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.

Town of Westlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

H. 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.

I. Going Concern

These 2024 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 or exercise

Town of Westlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

foreclosure on the assets. 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.

J. Subsequent Events

There were no material subsequent events through November 10, 2025, the date the financial statements were issued.

K. Restatement – Discretely Presented Component Unit

Due to corrections to accrued interest payables, the component unit restated its beginning net position. The restatement of beginning net position is as follows:

	Discretely Presented Component Units	TSH Authority - College Station	TSH Corporation - Denton Project
Prior year ending net position, as reported	\$ (71,596,619)	\$ (52,731,011)	\$ (21,031,386)
Correct accrued interest	15,840,486	7,352,418	8,488,068
Restated beginning net position	<u><u>\$ (55,756,133)</u></u>	<u><u>\$ (45,378,593)</u></u>	<u><u>\$ (12,543,318)</u></u>



REQUIRED SUPPLEMENTARY INFORMATION

Town of Westlake, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2) GENERAL FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
Revenues				
Property tax	\$ 2,250,171	\$ 2,175,171	\$ 2,175,830	\$ 659
Sales tax	6,825,000	10,075,000	8,988,994	(1,086,006)
Franchise and local taxes	589,135	819,135	922,078	102,943
License and permits	6,436,604	5,786,604	6,027,602	240,998
Grants/contributions	-	-	3,000	3,000
Fines and forfeitures	502,985	427,985	459,014	31,029
Investment income	303,800	1,383,800	1,917,887	534,087
Other revenue	106,900	106,900	200,042	93,142
Total Revenues	17,014,595	20,774,595	20,694,447	(80,148)
Expenditures				
Current:				
General government				
General service	1,126,962	1,546,962	1,207,775	339,187
Town manager	434,803	434,803	301,485	133,318
Planning and development	712,471	762,471	874,629	(112,158)
Town secretary	8,152	28,152	126,220	(98,068)
Municipal Court	477,189	477,189	335,229	141,960
Facilities/Maintenance	211,700	211,700	129,630	82,070
Finance	331,093	371,093	356,168	14,925
HR	165,923	165,923	132,369	33,554
Communications	578,656	628,656	565,115	63,541
Total general government	4,046,949	4,626,949	4,028,620	598,329
Public safety				
Fire/Ems	3,045,683	3,072,683	2,710,132	362,551
Police Service	1,208,278	1,338,278	1,335,937	2,341
Total Public Safety	4,253,961	4,410,961	4,046,069	364,892
Cultural and recreation	383,200	383,200	336,809	46,391
Public works	642,742	767,742	825,239	(57,497)
Education	1,864,127	1,831,095	1,775,047	56,048
Debt service:				
Principal	-	-	277,041	(277,041)
Interest and fiscal charges	-	-	10,779	(10,779)
Capital outlay	126,200	456,200	85,424	370,776
Total Expenditures	11,317,179	12,476,147	11,385,028	1,091,119
Revenues Over (Under)				
Expenditures	5,697,416	8,298,448	9,309,419	1,010,971

Town of Westlake, Texas

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)*
GENERAL FUND
For the Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
				Positive (Negative)
Other Financing Sources (Uses)				
Transfers in	\$ 172,500	\$ 172,500	\$ -	\$ (172,500)
Transfers (out)	<u>(1,914,764)</u>	<u>(1,749,764)</u>	<u>(1,453,264)</u>	<u>296,500</u>
Total Other Financing Sources (Uses)	<u>(1,742,264)</u>	<u>(1,577,264)</u>	<u>(1,453,264)</u>	<u>124,000</u>
Net Change in Fund Balance	<u>\$ 3,955,152</u>	<u>\$ 6,721,184</u>	<u>7,856,155</u>	<u>\$ 1,134,971</u>
Beginning fund balance			31,279,143	
Ending Fund Balance			<u>\$ 39,135,298</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Westlake, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL 4B ECONOMIC DEVELOPMENT CORPORATION

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
Revenues				
Sales tax	\$ 2,275,000	\$ 3,275,000	\$ 2,996,331	\$ (278,669)
Investment earnings	-	-	165,514	165,514
Total Revenues	2,275,000	3,275,000	3,161,845	(113,155)
 Revenues Over (Under) Expenditures	 2,275,000	 3,275,000	 3,161,845	 (113,155)
 Other Financing Sources (Uses)				
Transfers (out)	(1,623,136)	(1,623,136)	(1,761,938)	(138,802) *
Total Other Financing Sources(Uses)	(1,623,136)	(1,623,136)	(1,761,938)	(138,802)
 Net Change in Fund Balances	 \$ 651,864	 \$ 1,651,864	 1,399,907	 \$ (251,957)
 Beginning fund balances			3,332,182	
Ending Fund Balances			\$ 4,732,089	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

Town of Westlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
WESTLAKE ACADEMY - GENERAL FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
<u>Revenues</u>				
Local and intermediate sources	\$ 3,643,020	\$ 3,485,321	\$ 1,907,310	\$ (1,578,011)
State program revenues	8,200,712	8,200,712	8,093,195	(107,517)
Federal program revenues	397,867	397,867	397,867	-
Total Revenues	12,241,599	12,083,900	10,398,372	(1,685,528)
<u>Expenditures</u>				
Current:				
Education	11,821,309	12,267,643	10,683,313	1,584,330
Debt service:				
Principal	214,495	222,994	161,456	61,538
Interest	12,173	12,173	20,422	(8,249)
Total Expenditures	12,047,977	12,502,810	10,865,191	1,637,619
Revenues Over (Under) Expenditures	193,622	(418,910)	(466,819)	(47,909)
Net Change in Fund Balance	\$ 193,622	\$ (418,910)	\$ (466,819)	\$ (47,909)
Beginning fund balance			1,108,429	
Ending Fund Balance			\$ 641,610	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Westlake, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total pension liability				
Service cost	\$ 791,237	\$ 809,933	\$ 696,815	\$ 683,693
Interest	892,802	822,373	738,265	660,928
Differences between expected and actual experience	(325,903)	(125,512)	78,164	(5,405)
Changes of assumptions	(11,197)	-	-	-
Benefit payments, including refunds of participant contributions	(531,282)	(376,833)	(270,676)	(129,398)
Net change in total pension liability	815,657	1,129,961	1,242,568	1,209,818
Total pension liability - beginning	13,096,720	11,966,759	10,724,191	9,514,373
Total pension liability - ending (a)	13,912,377	13,096,720	11,966,759	10,724,191
Plan fiduciary net position				
Contributions - employer	\$ 562,313	\$ 577,669	\$ 510,997	\$ 500,613
Contributions - members	331,613	348,894	303,907	297,813
Net investment income	1,263,452	(815,178)	1,224,062	615,040
Benefit payments, including refunds of participant contributions	(531,282)	(376,833)	(270,676)	(129,398)
Administrative expenses	(7,991)	(7,022)	(5,642)	(3,966)
Other	(56)	8,379	39	(155)
Net change in plan fiduciary net position	1,618,049	(264,091)	1,762,687	1,279,947
Plan fiduciary net position - beginning	10,852,428	11,116,519	9,353,832	8,073,885
Plan fiduciary net position - ending (b)	\$ 12,470,477	\$ 10,852,428	\$ 11,116,519	\$ 9,353,832
Fund's net pension liability - ending				
(a) - (b)	\$ 1,441,900	\$ 2,244,292	\$ 850,240	\$ 1,370,359
Plan fiduciary net position as a percentage of the total pension	89.64%	82.86%	92.89%	87.22%
Covered payroll	\$ 4,735,108	\$ 4,984,204	\$ 4,341,524	\$ 4,254,465
Fund's net pension liability as a percentage of covered payroll	30.45%	45.03%	19.58%	32.21%

	12/31/2019		12/31/2018		12/31/2017		12/31/2016		12/31/2015		12/31/2014
\$	651,255	\$	605,453	\$	566,643	\$	483,414		435,146	\$	288,923
	570,598		493,022		439,725		371,753		317,982		264,994
	131,635		126,691		(120,557)		212,434		96,226		176,965
	89,534		-		-		-		139,579		-
	(112,642)		(84,942)		(146,316)		(58,144)		(38,289)		(55,762)
	1,330,380		1,140,224		739,495		1,009,457		950,644		675,120
	8,183,993		7,043,769		6,304,274		5,294,817		4,344,173		3,669,053
	9,514,373		8,183,993		7,043,769		6,304,274		5,294,817		4,344,173
\$	470,903	\$	472,011	\$	400,684	\$	330,604		290,278	\$	172,064
	279,349		257,327		232,776		203,359		188,725		152,077
	999,440		(179,608)		670,195		276,056		5,368		182,430
	(112,642)		(84,942)		(146,316)		(58,144)		(38,289)		(55,762)
	(5,628)		(3,463)		(3,468)		(3,113)		(3,268)		(1,904)
	(169)		(181)		(176)		(168)		(191)		(127)
	1,631,253		461,144		1,153,695		748,594		442,623		448,778
	6,442,632		5,981,488		4,827,793		4,079,199		3,636,576		3,187,798
\$	8,073,885	\$	6,442,632	\$	5,981,488	\$	4,827,793		4,079,199	\$	3,636,576
\$	1,440,488	\$	1,741,361	\$	1,062,281	\$	1,476,481		1,215,618	\$	707,597
	84.86%		78.72%		84.92%		76.58%		77.04%		83.71%
\$	3,961,404	\$	3,676,095	\$	3,325,369	\$	2,905,134		2,696,072	\$	2,172,525
	36.36%		47.37%		31.94%		50.82%		45.09%		32.57%

Town of Westlake, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
Actuarially determined employer contributions	\$ 562,313	\$ 569,334	\$ 587,595	\$ 524,995
Contributions in relation to the actuarially determined contribution	<u>\$ (562,313)</u>	<u>\$ (571,341)</u>	<u>\$ (587,595)</u>	<u>\$ (524,995)</u>
Contribution deficiency (excess)	\$ -	\$ (2,007)	\$ -	\$ -
Annual covered payroll	\$ 4,530,671	\$ 4,840,837	\$ 5,050,700	\$ 4,460,447
Employer contributions as a percentage of covered payroll	12.41%	11.80%	11.63%	11.77%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 478,059	\$ 473,030	\$ 454,421	\$ 419,720	\$ 31,618	\$ 277,651
<u>\$ (478,059)</u>	<u>\$ (473,030)</u>	<u>\$ (454,421)</u>	<u>\$ (419,720)</u>	<u>\$ (316,618)</u>	<u>\$ (277,651)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (285,000)</u>	<u>\$ -</u>
\$ 4,058,942	\$ 3,920,565	\$ 3,676,094	\$ 3,325,369	\$ 2,821,349	\$ 2,778,776
11.78%	12.07%	12.36%	12.62%	11.22%	9.99%

Town of Westlake, Texas

SCHEDULE OF ACADEMY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY TEACHER RETIREMENT SYSTEM OF TEXAS

Years Ended:

	<u>8/31/2023</u>	<u>8/31/2022</u>	<u>8/31/2021</u>	<u>8/31/2020</u>
Academy's proportion of the net pension liability	0.0063911%	0.0058367%	0.0051806%	0.0055779%
Academy's proportionate share of net pension liability	\$ 4,390,064	\$ 3,465,116	\$ 1,319,306	\$ 2,987,427
State's proportionate share of net pension liability associated with Westlake Academy	3,997,690	4,030,833	1,996,109	4,112,478
Total	<u>\$ 8,387,754</u>	<u>\$ 7,495,949</u>	<u>\$ 3,315,415</u>	<u>\$ 7,099,905</u>
 Covered payroll	 \$ 6,648,972	 \$ 6,248,867	 \$ 6,119,043	 \$ 5,984,542
Academy's proportionate share of net pension liability as a percentage of covered payroll	66.03%	55.45%	21.56%	49.92%
 Plan fiduciary net position as a percentage of total pension liability	 73.15%	 75.62%	 88.79%	 75.54%

<u>8/31/2019</u>	<u>8/31/2018</u>	<u>8/31/2017</u>	<u>8/31/2016</u>	<u>8/31/2015</u>	<u>8/31/2014</u>
0.0028912%	0.0027061%	0.0028012%	0.0027822%	0.0030945%	0.0007190%
\$ 1,502,914	\$ 1,489,525	\$ 895,663	\$ 1,051,346	\$ 1,093,865	\$ 192,056
<u>5,272,547</u>	<u>5,571,598</u>	<u>3,480,057</u>	<u>4,035,754</u>	<u>3,667,893</u>	<u>2,965,583</u>
<u><u>\$ 6,775,461</u></u>	<u><u>\$ 7,061,123</u></u>	<u><u>\$ 4,375,720</u></u>	<u><u>\$ 5,087,100</u></u>	<u><u>\$ 4,761,758</u></u>	<u><u>\$ 3,157,639</u></u>
\$ 5,534,431	\$ 5,289,916	\$ 5,391,515	\$ 5,094,571	\$ 4,784,695	\$ 4,300,931
27.16%	28.16%	16.61%	20.64%	22.86%	4.47%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Town of Westlake, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total OPEB liability					
Service cost	\$ 6,156	\$ 11,962	\$ 10,420	\$ 8,934	\$ 7,131
Interest	3,669	2,348	2,272	2,388	2,146
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(3,698)	1,428	(2,401)	(80)	3,831
Changes of assumptions	5,222	(48,381)	3,924	15,184	15,394
Benefit payments, including refunds of participant contributions	(1,421)	(1,495)	(434)	(425)	(396)
Net changes	9,928	(34,138)	13,781	26,001	28,106
Total OPEB liability - beginning	88,234	122,372	108,591	82,590	54,484
Total OPEB liability - ending	\$ 98,162	\$ 88,234	\$ 122,372	\$ 108,591	\$ 82,590
 Covered employee payroll	 \$ 4,735,108	\$ 4,984,204	\$ 4,341,524	\$ 4,254,464	\$ 3,961,404
 percentage of covered employee payroll	 2.07%	 1.77%	 2.82%	 2.55%	 2.08%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

12/31/2018 ¹

\$ 7,720
1,844
-

(2,126)
(4,632)

(5,184)
(2,378)
56,862
\$ 54,484 ²

\$ 3,676,094

1.48%

Town of Westlake, Texas
SCHEDULE OF ACADEMY'S PROPORTIONATE SHARE OF
NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM (TRS) CARE PLAN

Years Ended:

	<u>8/31/2023</u>	<u>8/31/2022</u>	<u>8/31/2021</u>	<u>8/31/2020</u>
Academy's proportion of the net OPEB liability	0.6706100%	0.6594200%	0.0060770%	0.0060887%
Academy's proportionate share of net OPEB liability	\$ 1,484,624	\$ 1,578,920	\$ 2,344,162	\$ 2,314,571
State's proportionate share of net OPEB liability associated with Westlake Academy	<u>1,791,427</u>	<u>1,926,034</u>	<u>3,140,655</u>	<u>3,110,229</u>
Total	<u>\$ 3,276,051</u>	<u>\$ 3,504,954</u>	<u>\$ 5,484,817</u>	<u>\$ 5,424,800</u>
Covered payroll	\$ 6,248,867	\$ 6,248,867	\$ 5,264,791	\$ 5,984,542
OPEB liability as a percentage of covered payroll	23.76%	25.27%	44.53%	38.68%
Plan fiduciary net position as a percentage of total OPEB liability	14.94%	11.52%	6.18%	4.99%

<u>8/31/2019</u>	<u>8/31/2018</u>	<u>8/31/2017</u>	¹
0.0059857%	0.0059093%	0.0058830%	
\$ 2,830,719	\$ 2,950,588	\$ 2,558,314	
<u>\$ 3,761,390</u>	<u>\$ 4,695,104</u>	<u>\$ 4,406,333</u>	
<u><u>\$ 6,592,109</u></u>	<u><u>\$ 7,645,692</u></u>	<u><u>\$ 6,964,647</u></u>	
\$ 5,534,431	\$ 5,289,916	\$ 5,391,515	
51.15%	55.78%	47.45%	
2.66%	1.57%	0.91%	



OTHER SUPPLEMENTARY INFORMATION

***COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

Town of Westlake, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Lone Star			Solana PID		
	Visitors Association	Public Facilities Corp. Fund	Economic Development	Public Arts	Capital Projects	Total
Assets						
Cash and cash equivalents	\$ 725,264	\$ 22,509	\$ 16,329	\$ 215,427	\$ 646,503	\$ 1,834,191
Accounts receivable, net	4,489	-	-	-	-	22,509
Due from other governments	-	-	-	-	-	4,489
Due from other funds	-	-	12,224	-	-	12,224
Prepays	7	-	-	-	-	7
Total Assets	\$ 752,269	\$ 16,329	\$ 227,651	\$ 646,503	\$ 230,668	\$ 1,873,420
Liabilities						
Accounts payable	\$ 8	\$ 8,705	\$ -	\$ -	\$ -	\$ 201,007
Accrued Liabilities	12,224	-	-	-	-	8,705
Due to Other Funds	4,912	-	-	-	-	12,224
Unearned revenue	25,849	-	-	-	-	4,912
Total Liabilities	\$ 726,413	\$ 16,329	\$ 227,651	\$ 646,503	\$ 29,669	\$ 226,848
Fund Balances						
Nonspendable:	7	-	-	-	-	7
Prepays	-	-	-	-	-	-
Restricted for:	-	-	-	-	-	-
Visitor services	-	-	-	-	-	726,413
Capital items	-	-	-	-	-	676,172
Future projects	-	-	-	-	-	243,980
Total Fund Balances	\$ 726,420	\$ 16,329	\$ 227,651	\$ 646,503	\$ 29,669	\$ 1,646,572
Total Liabilities, Deferred Inflows of Resources, and Fund Balances						
	\$ 752,269	\$ 16,329	\$ 227,651	\$ 646,503	\$ 230,668	\$ 1,873,420

See notes to the financial statements

Town of Westlake, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	Lone Star			Solana PID		
	Visitors Association	Public Facilities Corp. Fund	Economic Development	Public Arts	Capital Projects	Total
Revenues						
Occupancy tax	\$ 748,500	\$ -	\$ -	\$ -	\$ -	\$ 748,500
Grants/contributions	-	-	180,000	-	-	180,000
Investment income	24,052	872	-	-	-	24,924
Other revenue	1,050	-	-	-	-	1,050
Total Revenues	773,602	872	180,000	-	-	954,474
 Expenditures						
Current:						
Tourism	270,342	-	-	-	-	270,342
Debt service:						
Principal	55,436	-	-	-	-	55,436
Interest and fiscal charges	1,903	-	-	-	-	1,903
Total Expenditures	327,681	-	-	-	-	327,681
 Excess (Deficiency) of Revenues Over (Under) Expenditures	445,921	872	180,000	-	-	626,793
 Net Change in Fund Balances	445,921	872	180,000	-	-	626,793
Beginning fund balances	280,499	15,457	47,651	646,503	29,669	1,019,779
Ending Fund Balances	\$ 726,420	\$ 16,329	\$ 227,651	\$ 646,503	\$ 29,669	\$ 1,646,572

See Notes to the financial statements

Town of Westlake, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL VISITORS ASSOCIATION FUND For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
Revenues				
Occupancy taxes	\$ 446,000	\$ 771,000	\$ 748,500	\$ (22,500)
Investment income	5,000	5,000	24,052	19,052
Other revenue	5,100	5,100	1,050	(4,050)
Total Revenues	456,100	781,100	773,602	(7,498)
Expenditures				
Tourism	432,910	432,910	270,342	162,568
Debt service:				
Principal	-	-	55,436	(55,436)
Interest and fiscal charges	-	-	1,903	(1,903)
Total Expenditures	432,910	432,910	327,681	105,229
Revenues Over (Under) Expenditures	23,190	348,190	445,921	97,731
Net Change in Fund Balances	\$ 23,190	\$ 348,190	\$ 445,921	\$ 97,731
Beginning fund balances			280,499	
Ending Fund Balances			\$ 726,420	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Westlake, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL LONE STAR PUBLIC FACILITIES CORPORATION

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget
			Positive (Negative)
Revenues			
Investment income	\$ 200	\$ 872	\$ 672
Total Revenues	<u>200</u>	<u>872</u>	<u>672</u>
Beginning fund balances		15,457	
Ending Fund Balances		<u>\$ 16,329</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Westlake, Texas

*SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND*
For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Occupancy taxes	\$ 10,000	\$ -	\$ (10,000)
Grants and contributions	180,000	180,000	-
Total Revenues	190,000	180,000	(10,000)
Expenditures			
Public works	10,000	-	10,000
Total Expenditures	10,000	-	10,000
Revenues Over (Under) Expenditures	180,000	180,000	-
Net Change in Fund Balances	\$ 180,000	180,000	\$ -
Beginning fund balances		47,651	
Ending Fund Balances		\$ 227,651	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Westlake, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
				Positive (Negative)
Revenues				
Property taxes	\$ 1,893,283	\$ 1,893,283	\$ 1,832,327	\$ (60,956)
Total Revenues	1,893,283	1,893,283	1,832,327	(60,956)
Expenditures				
Debt Service:				
Principal	2,349,600	2,349,600	2,349,600	-
Interest and fiscal charges	1,084,714	1,084,714	1,084,795	(81)
Bond issuance costs	7,000	7,000	3,500	3,500
Total Expenditures	3,441,314	3,441,314	3,437,895	3,419
Revenues Over (Under) Expenditures	(1,548,031)	(1,548,031)	(1,605,568)	(57,537)
Other Financing Sources (Uses)				
Transfers in	1,623,136	1,623,136	1,761,938	138,802
Total Other Financing Sources (Uses)	1,623,136	1,623,136	1,761,938	138,802
Net Change in Fund Balances	\$ 75,105	\$ 75,105	156,370	\$ 81,265
Beginning fund balances			(268,700)	
Ending Fund Balances			\$ (112,330)	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Westlake, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment income	\$ 125,000	\$ 285,000	\$ 383,607	\$ 98,607
Grant revenue	-	-	1,041,997	1,041,997
Total Revenues	125,000	285,000	1,425,604	1,140,604
Expenditures				
Capital outlay	280,000	115,000	153,767	(38,767)
Total Expenditures	280,000	115,000	153,767	(38,767) *
Revenues Over (Under) Expenditures	(155,000)	170,000	1,271,837	1,101,837
Other Financing Sources (Uses)				
Transfer in	400,000	115,000	-	(115,000)
Total Other Financing Sources (Uses)	400,000	115,000	-	(115,000)
Net Change in Fund Balances	\$ 245,000	\$ 285,000	1,271,837	\$ 986,837
Beginning fund balances			6,309,317	
Ending Fund Balances			\$ 7,581,154	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

Town of Westlake, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL WESTLAKE ACADEMY EXPANSION CAPITAL PROJECTS

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Investment income	\$ 55,000	\$ 155,000	\$ 185,415	\$ 30,415
Total Revenues	55,000	155,000	185,415	30,415
<u>Expenditures</u>				
Capital outlay	-	585,000	535,426	49,574
Total Expenditures	-	585,000	535,426	49,574
Revenues Over (Under) Expenditures	55,000	(430,000)	(350,011)	79,989
Net Change in Fund Balances	\$ 55,000	\$ (430,000)	\$ (350,011)	\$ 79,989
Beginning fund balances			3,432,883	
Ending Fund Balances			\$ 3,082,872	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).



Town of Westlake, Texas
COMBINING SCHEDULE OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2024

	Texas	TSH Authority		
	Student	College	TSH	
	Housing (a)	Station	Corporation -	
	Authority	Project	Denton Project	*
				Total
Assets				
Cash and cash equivalents	\$ 2,134,609	\$ 68,699	\$ 290,557	\$ 2,493,865
Restricted assets - cash	-	-	3,857,945	3,857,945
Receivables, net	-	19,585	67,169	86,754
Prepays	-	92,080	39,888	131,968
Total Current Assets	2,134,609	180,364	4,255,559	6,570,532
Capital assets:				
Non-depreciable	-	2,901,164	2,200,000	5,101,164
Net depreciable capital assets	-	21,406,323	7,798,842	29,205,165
Total Noncurrent Assets	-	24,307,487	9,998,842	34,306,329
Total Assets	2,134,609	24,487,851	14,254,401	40,876,861
Liabilities				
Accounts payable and accrued liabilities	29,401	512,184	690,443	1,232,028
Unearned revenue	-	1,600	98,566	100,166
Accrued interest	-	31,110,935	3,710,306	34,821,241
Debt due within one year	-	28,205,000	21,157,496	49,362,496
Line of credit	-	15,883,639	-	15,883,639
Total Current Liabilities	29,401	75,713,358	25,656,811	101,399,570
Total Liabilities	29,401	75,713,358	25,656,811	101,399,570
Net Position				
Net investment in capital assets	-	(3,897,513)	(11,482,006)	(15,379,519)
Unrestricted	2,105,208	(47,327,994)	79,596	(45,143,190)
Total Net Position	\$ 2,105,208	\$ (51,225,507)	\$ (11,402,410)	\$ (60,522,709)

(a) Also referred to as "TSH" in the Financial Statements

* Note: As of August 31, 2024

See Notes to Financial Statements.



Town of Westlake, Texas
COMBINING SCHEDULE OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended September 30, 2024

Component Units	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Functions/Programs	Operating		Capital	Texas Student Housing (a) Authority	TSH Authority	TSH	
		Charges for Services	Grants and Contributions	Grants and Contributions		College Station Project *	Corporation - Denton Project *	Total
Component Unit Activities								
Texas Student Housing ("TSH")	\$ 383,759	\$ 169,170	\$ -	\$ -	\$ (214,589)	\$ -	\$ -	\$ (214,589)
Authority	\$ 8,415,235	\$ -	\$ -	\$ -	\$ -	\$ (8,415,235)	\$ -	\$ (8,415,235)
TSH Authority - College Station	<u>7,280,722</u>	<u>475,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TSH Corporation - Denton Project	<u>16,079,716</u>	<u>644,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (214,589)</u>	<u>\$ (8,415,235)</u>	<u>\$ (6,805,026)</u>	<u>\$ (6,805,026)</u>
Total Component Unit Activities	\$ 16,079,716	\$ 644,866	\$ -	\$ -	\$ (214,589)	\$ (8,415,235)	\$ (6,805,026)	\$ (15,434,850)
Total Component Units	<u>\$ 16,079,716</u>	<u>\$ 644,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (214,589)</u>	<u>\$ (8,415,235)</u>	<u>\$ (6,805,026)</u>	<u>\$ (15,434,850)</u>
General Revenues:								
Investment income	154,019				\$ -	238,923	392,942	
Rental income					2,498,559	5,380,610	7,879,169	
Settlement income					<u>\$ -</u>	2,306,948	2,306,948	
Other revenues					69,762	19,453	89,215	
Total General Revenues	154,019				2,568,321	7,945,934	10,668,274	
Change in Net Position								
Prior year ending net position, as reported	(60,570)				(5,846,914)	1,140,908	(4,766,576)	
Correction of an error	2,165,778				(52,731,011)	(21,031,386)	(71,596,619)	
Restated beginning net position					7,352,418	8,488,068	15,840,486	
Ending Net Position	\$ 2,105,208				\$ (45,378,593)	\$ (12,543,318)	\$ (55,756,133)	
					\$ (51,225,507)	\$ (11,402,410)	\$ (60,522,709)	

(a) Also referred to as "TSH" in the Financial Statements

* Note: For the year ended August 31, 2024.

See Notes to Financial Statements.



STATISTICAL SECTION

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

FINANCIAL TRENDS INFORMATION

These schedule contain trend information to help the reader understand how the Town's Financial performance and well-being have changed over time

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

REVENUE CAPACITY INFORMATION

These schedules contain information to help the reader assess the Town's most significant revenue source, the property tax.

- 5 Assessed value and actual value of taxable property
- 6 Principal property tax payers
- 7 Property tax levies and collections
- 8 Property Tax Rates - Direct and Overlapping Governments
- 9 Taxable Sales by Industry Type

DEBT CAPACITY INFORMATION

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.

- 10 Ratios of general bonded debt outstanding
- 11 Ratios of outstanding debt
- 12 Direct and overlapping governmental activities debt

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand how the environment within which the Town's financial activities take place.

- 13 Demographic and economic statistics
- 14 Principal employers

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the service the government provides and the activities it performs.

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

Town of Westlake, Texas

NET POSITION BY COMPONENT

Last Ten Years

(Accrual Basis of Accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities:				
Net investment in capital assets	\$ 29,633,298	\$ 38,299,337	\$ 46,499,873	\$ 47,629,452
Restricted	17,827,177	7,489,048	2,034,916	1,077,646
Unrestricted	7,108,101	9,260,572	9,513,643	6,537,845
Total governmental activities net position	<u><u>\$ 54,568,576</u></u>	<u><u>\$ 55,048,957</u></u>	<u><u>\$ 58,048,432</u></u>	<u><u>\$ 55,244,943</u></u>
Business-type activities:				
Net investment in capital assets	\$ 6,410,547	\$ 6,044,363	\$ 5,583,570	\$ 5,293,188
Restricted	-	-	-	-
Unrestricted	(2,608,315)	(4,041,360)	(3,746,696)	(4,685,810)
Total business-type activities net position	<u><u>\$ 3,802,232</u></u>	<u><u>\$ 2,003,003</u></u>	<u><u>\$ 1,836,874</u></u>	<u><u>\$ 607,378</u></u>
Primary government:				
Net investment in capital assets	\$ 36,043,845	\$ 44,343,700	\$ 52,083,443	\$ 52,922,640
Restricted	17,827,177	7,489,048	2,034,916	1,077,646
Unrestricted	4,499,786	5,219,212	5,766,947	1,852,035
Total primary government net position	<u><u>\$ 58,370,808</u></u>	<u><u>\$ 57,051,960</u></u>	<u><u>\$ 59,885,306</u></u>	<u><u>\$ 55,852,321</u></u>

Source: Annual Financial Reports

Table 1

2019	2020	2021	2022	2023	2024
\$ 48,030,010	\$ 46,633,638	\$ 48,565,384	\$ 42,897,544	\$ 47,921,269	\$ 48,867,171
3,786,893	3,653,143	2,684,375	15,018,115	15,241,173	19,349,365
10,775,740	12,350,020	13,917,782	15,392,596	24,941,445	32,188,688
<u>\$ 62,592,643</u>	<u>\$ 62,636,801</u>	<u>\$ 65,167,541</u>	<u>\$ 73,308,255</u>	<u>\$ 88,103,887</u>	<u>\$ 100,405,224</u>
\$ 4,909,471	\$ 4,672,681	\$ (6,770,797)	\$ (9,008,946)	\$ (9,088,254)	\$ (8,924,955)
-	50,000	50,000	50,000	50,000	50,000
(6,548,934)	(6,328,176)	4,823,574	8,541,679	11,311,513	14,415,355
<u>\$ (1,639,463)</u>	<u>\$ (1,605,495)</u>	<u>\$ (1,897,223)</u>	<u>\$ (417,267)</u>	<u>\$ 2,273,259</u>	<u>\$ 5,540,400</u>
\$ 52,939,481	\$ 51,306,319	\$ 41,794,587	\$ 33,888,598	\$ 38,833,015	\$ 39,942,216
3,786,893	3,703,143	2,734,375	15,068,115	15,291,173	19,399,365
4,226,806	6,021,844	18,741,356	23,934,275	36,252,958	46,604,043
<u>\$ 60,953,180</u>	<u>\$ 61,031,306</u>	<u>\$ 63,270,318</u>	<u>\$ 72,890,988</u>	<u>\$ 90,377,146</u>	<u>\$ 105,945,624</u>

Town of Westlake, Texas

CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	\$ 3,145,716	\$ 4,491,557	\$ 5,716,302	\$ 4,776,131
Public safety	2,381,437	2,737,084	3,063,003	3,133,733
Cultural and recreation	129,970	187,274	217,489	184,685
Public works	1,081,996	1,102,636	1,634,549	1,820,908
Economic Development	171,757	141,779	163,578	469,852
Visitor services	665,936	740,835	737,071	885,654
Education	8,598,261	9,516,287	8,566,295	6,568,453
Interest on long-term debt	1,022,201	990,413	1,401,199	1,184,818
Total governmental activities expenses	17,197,274	19,907,865	21,499,486	19,024,234
Business-type activities:				
Utility	\$ 4,861,529	\$ 5,519,116	\$ 4,893,075	\$ 7,049,946
Cemetery	7,297	7,831	8,021	9,754
Total business-type activities expenses	4,868,826	5,526,947	4,901,096	7,059,700
Total primary government expenses	\$ 22,066,100	\$ 25,434,812	\$ 26,400,582	\$ 26,083,934
Program revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 110,778	\$ 789,457	\$ 73,180	\$ 137,805
Public safety	887,919	932,017	783,681	782,833
Public works	936,245	1,789,776	3,338,541	2,027,613
Education	531,090	283,077	275,759	247,721
Operating grants and contributions	7,615,653	7,863,168	8,047,113	7,044,597
Capital grants and contributions	19,983,078	269,185	3,485,255	424,948
Total governmental activities program revenues	\$ 30,064,763	\$ 11,926,680	\$ 16,003,529	\$ 10,665,517
Business-type activities:				
Charges for services:				
Utility	3,549,775	3,968,086	4,815,635	5,794,818
Cemetery	13,620	11,115	9,964	29,440
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	50,000	1,271
Total business-type activities program revenues	3,563,395	3,979,201	4,875,599	5,825,529
Total primary government program revenues	\$ 33,628,158	\$ 15,905,881	\$ 20,879,128	\$ 16,491,046
Net (expense) revenue:				
Governmental activities	\$ 12,867,489	\$ (7,981,185)	\$ (5,495,957)	\$ (8,358,717)
Business-type activities	(1,305,431)	(1,547,746)	(25,497)	(1,234,171)
Total primary government net (expense)	\$ 11,562,058	\$ (9,528,931)	\$ (5,521,454)	\$ (9,592,888)

Table 2

	2019	2020	2021	2022	2023	2024
\$	6,091,403	\$ 6,555,048	\$ 6,101,168	\$ 6,700,763	\$ 5,773,925	\$ 4,977,845
3,489,071	3,991,114	4,011,699	4,268,432	4,827,695	4,631,503	
299,815	282,512	182,503	290,006	193,022	337,128	
1,368,049	1,326,090	1,297,821	1,733,858	1,469,299	1,636,523	
306,982	150,037	-	-	-	-	
927,670	802,244	451,392	870,761	548,735	270,346	
9,523,906	9,979,674	9,972,935	11,009,311	13,545,889	13,221,132	
1,131,485	1,103,925	1,141,125	1,084,741	1,101,951	1,070,459	
<u>23,138,381</u>	<u>24,190,644</u>	<u>23,158,643</u>	<u>25,957,872</u>	<u>27,460,516</u>	<u>26,144,936</u>	
\$	7,544,125	\$ 6,407,650	\$ 5,184,455	\$ 5,660,733	\$ 5,857,895	\$ 5,891,114
10,628	21,734	8,438	9,886	9,973	39,654	
<u>7,554,753</u>	<u>6,429,384</u>	<u>5,192,893</u>	<u>5,670,619</u>	<u>5,867,868</u>	<u>5,930,768</u>	
<u>\$ 30,693,134</u>	<u>\$ 30,620,028</u>	<u>\$ 28,351,536</u>	<u>\$ 31,628,491</u>	<u>\$ 33,328,384</u>	<u>\$ 32,075,704</u>	
\$	91,845	\$ 318,140	\$ 218,922	\$ -	\$ -	\$ -
984,268	649,795	724,198	598,746	515,287	459,014	
5,419,039	1,587,839	2,251,832	3,809,047	2,212,024	6,027,602	
313,741	90,123	110,327	267,004	208,724	397,867	
9,166,821	9,725,263	10,240,349	13,436,151	16,081,255	9,843,811	
1,861,623	280,000	1,537,500	-	-	1,224,997	
<u>\$ 17,837,337</u>	<u>\$ 12,651,160</u>	<u>\$ 15,083,128</u>	<u>\$ 18,110,948</u>	<u>\$ 19,017,290</u>	<u>\$ 17,953,291</u>	
5,374,118	6,410,755	5,069,595	6,924,690	7,888,135	7,952,400	
30,745	67,578	25,145	31,900	88,220	64,507	
-	-	-	-	-	-	
54	-	-	-	-	-	
<u>5,404,917</u>	<u>6,478,333</u>	<u>5,094,740</u>	<u>6,956,590</u>	<u>7,976,355</u>	<u>8,016,907</u>	
<u>\$ 23,242,254</u>	<u>\$ 19,129,493</u>	<u>\$ 20,177,868</u>	<u>\$ 25,067,538</u>	<u>\$ 26,993,645</u>	<u>\$ 25,970,198</u>	
\$	(5,301,044)	\$ (11,539,484)	\$ (8,075,515)	\$ (7,846,924)	\$ (8,443,226)	\$ (8,191,645)
(2,149,836)	48,949	(98,153)	1,285,971	2,108,487	2,086,139	
<u>\$ (7,450,880)</u>	<u>\$ (11,490,535)</u>	<u>\$ (8,173,668)</u>	<u>\$ (6,560,953)</u>	<u>\$ (6,334,739)</u>	<u>\$ (6,105,506)</u>	

Town of Westlake, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Years
(Accrual Basis of Accounting)

	2015	2016	2017	2018
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales	\$ 4,925,428	\$ 4,609,523	\$ 4,650,744	\$ 6,003,605
Property	1,438,969	1,476,355	1,576,750	1,629,640
Hotel Occupancy	872,179	822,490	751,601	849,167
Mixed Beverage	59,184	61,476	68,432	62,347
Franchise	963,040	930,043	818,423	779,506
Investment earnings	28,904	55,600	182,095	356,076
Miscellaneous	198,199	241,501	278,071	215,076
Transfers	323,100	264,578	169,316	71,466
Total governmental activities	\$ 8,809,003	\$ 8,461,566	\$ 8,495,432	\$ 9,966,883
Business-type activities:				
Investment earnings	\$ 7,083	\$ 13,095	\$ 28,684	\$ 79,961
Miscellaneous	50,000	-	-	-
Transfers	(323,100)	(264,578)	(169,316)	(71,466)
Total business-type activities	(266,017)	(251,483)	(140,632)	8,495
Total primary government	\$ 8,542,986	\$ 8,210,083	\$ 8,354,800	\$ 9,975,378
Change in net position:				
Governmental activities	\$ 21,676,492	\$ 480,381	\$ 2,999,475	\$ 1,608,166
Business-type activities	(1,571,448)	(1,799,229)	(166,129)	(1,225,676)
Total primary government				
net (expense) revenue	\$ 20,105,044	\$ (1,318,848)	\$ 2,833,346	\$ 382,490

Source: Annual Financial Reports

2019	2020	2021	2022	2023	2024
\$ 8,032,671	\$ 7,378,900	\$ 6,372,366	\$ 11,469,156	\$ 16,650,960	\$ 11,985,325
1,956,630	2,411,279	2,708,091	2,871,396	3,507,970	4,008,157
861,710	369,145	222,937	438,255	556,830	748,500
66,923	41,949	23,269	48,089	53,042	65,146
964,239	972,520	735,263	786,549	862,700	856,932
517,128	260,003	38,381	180,490	1,546,860	2,677,347
142,230	72,688	91,890	35,945	60,496	151,575
207,213	77,158	205,014	157,758	-	-
<u>\$ 12,748,744</u>	<u>\$ 11,583,642</u>	<u>\$ 10,397,211</u>	<u>\$ 15,987,638</u>	<u>\$ 23,238,858</u>	<u>\$ 20,492,982</u>
\$ 110,208	\$ 62,177	\$ 11,439	\$ 61,467	\$ 430,626	\$ 718,465
-	-	-	290,276	151,413	462,537
(207,213)	(77,158)	(205,014)	(157,758)	-	-
<u>(97,005)</u>	<u>(14,981)</u>	<u>(193,575)</u>	<u>193,985</u>	<u>582,039</u>	<u>1,181,002</u>
<u>\$ 12,651,739</u>	<u>\$ 11,568,661</u>	<u>\$ 10,203,636</u>	<u>\$ 16,181,623</u>	<u>\$ 23,820,897</u>	<u>\$ 21,673,984</u>
\$ 7,447,700	\$ 44,158	\$ 2,321,696	\$ 8,140,714	\$ 14,795,632	\$ 12,301,337
(2,246,841)	33,968	(291,728)	1,479,956	2,690,526	3,267,141
<u>\$ 5,200,859</u>	<u>\$ 78,126</u>	<u>\$ 2,029,968</u>	<u>\$ 9,620,670</u>	<u>\$ 17,486,158</u>	<u>\$ 15,568,478</u>

Town of Westlake, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	2015	2016	2017	2018
General fund				
Nonspendable:				
Prepaid items	\$ 13,334	\$ 12,794	\$ 18,705	\$ 19,253
Restricted for:				
Court security and technology	203,173	238,636	219,693	203,173
Public safety	-	-	-	-
Committed for:				
Future projects	80,442	335,322	335,392	80,442
Assigned for:				
Future equipment	-	-	-	-
Unassigned	7,383,601	9,092,721	10,363,702	10,493,380
Total general fund	<u>\$ 7,680,550</u>	<u>\$ 9,679,473</u>	<u>\$ 10,937,492</u>	<u>\$ 10,796,248</u>
 All other governmental funds				
Nonspendable:				
Prepaid items	\$ 83,359	\$ 68,718	\$ 243,401	\$ 56,397
Restricted for:				
Donor stipulations	-	-	-	-
Visitor services	1,081,009	1,003,636	791,308	781,775
Future projects	13,632	13,679	13,789	14,141
Debt service	20,916	30,468	11,963	28,798
Education	1,592,227	1,098,359	729,709	1,068,117
Capital projects	17,713,788	8,501,489	15,080,456	7,292,917
Committed	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 20,504,931</u>	<u>\$ 10,716,349</u>	<u>\$ 16,870,626</u>	<u>\$ 9,242,145</u>

Source: Annual financial reports

Table 3

	2019	2020	2021	2022	2023	2024
\$	19,302	\$ 41,586	\$ 38,889	\$ 52,952	\$ 20,989	\$ 70,060
	237,804	203,173	239,576	-	-	-
	-	-	-	423,156	296,223	318,051
	80,442	80,442	80,442	-	-	-
	-	-	-	-	-	-
	<u>14,900,650</u>	<u>16,265,309</u>	<u>17,854,010</u>	<u>21,099,589</u>	<u>30,961,931</u>	<u>38,747,187</u>
	<u>\$ 15,238,198</u>	<u>\$ 16,590,510</u>	<u>\$ 18,212,917</u>	<u>\$ 21,575,697</u>	<u>\$ 31,279,143</u>	<u>\$ 39,135,298</u>
\$	196,074	\$ 83,440	\$ 156,157	\$ 89,089	\$ 157,713	\$ 39,597
	-	-	-	1,818	2,630	2,834
	734,938	416,064	97,684	339,045	274,173	726,413
	14,543	14,719	14,813	1,237,325	3,395,290	4,976,069
	44,683	150,518	103,993	-	-	-
	1,323,663	1,685,116	1,898,618	1,425,775	771,173	1,880,695
	6,070,774	4,580,448	8,467,427	11,590,996	10,439,836	11,340,198
	-	-	-	106,455	161,775	171,755
	-	-	-	(1,001)	(268,700)	(112,330)
	<u>\$ 8,384,675</u>	<u>\$ 6,930,305</u>	<u>\$ 10,738,692</u>	<u>\$ 14,789,502</u>	<u>\$ 14,933,890</u>	<u>\$ 19,025,231</u>

Town of Westlake, Texas
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018
Revenues				
Taxes	\$ 8,252,748	\$ 7,902,983	\$ 7,867,015	\$ 9,321,321
Licenses, fees and permits	1,200,790	2,715,236	3,521,686	2,314,933
Fines and forfeitures	734,152	796,014	673,716	633,318
State program revenues	6,173,418	6,543,782	6,603,358	7,217,383
Federal program revenues	87,797	98,564	140,152	114,797
Investment earnings	28,904	55,600	182,095	356,076
Grants/contributions	18,785,953	283,684	728,887	494,131
Other revenues	2,471,191	1,542,835	2,863,801	1,735,201
Total revenues	\$ 37,734,953	\$ 19,938,698	\$ 22,580,710	\$ 22,187,160
Expenditures				
Current:				
General government	\$ 2,411,239	\$ 3,280,507	\$ 4,596,827	\$ 3,672,933
Public safety	2,490,551	2,453,857	2,684,244	2,992,727
Cultural and recreation	130,322	185,923	164,720	183,816
Public works	744,028	773,751	784,279	675,550
Economic development	171,757	141,779	163,578	469,852
Visitor services	670,157	725,971	717,055	875,322
Education	7,938,501	9,245,592	8,819,174	9,012,348
Capital outlay	5,274,282	9,561,954	7,082,844	9,407,447
Debt service:				
Principal	1,130,762	1,150,490	1,124,697	1,555,677
Interest and other fiscal charges	977,412	947,411	1,105,376	1,182,679
Bond issuance cost	-	-	368,278	-
Total expenditures	\$ 21,939,011	\$ 28,467,235	\$ 27,611,072	\$ 30,028,351
Excess (deficiency) of revenues over (under) expenditures	\$ 15,795,942	\$ (8,528,537)	\$ (5,030,362)	\$ (7,841,191)

Table 4

2019	2020	2021	2022	2023	2024
\$ 11,881,784	\$ 11,174,378	\$ 10,065,684	\$ 15,614,508	\$ 21,631,502	\$ 17,664,060
5,873,529	1,996,834	2,612,098	3,809,047	2,212,024	6,027,602
616,451	492,435	582,854	492,485	414,603	459,014
7,415,219	8,011,061	8,482,552	8,130,551	8,046,091	8,093,195
110,248	137,910	121,678	267,004	208,724	397,867
517,128	260,003	38,381	180,490	1,546,860	2,677,347
1,253,200	292,860	1,800,000	5,202,216	7,874,323	3,132,307
1,804,309	1,837,744	1,512,867	142,206	161,180	201,092
<u>\$ 29,471,868</u>	<u>\$ 24,203,225</u>	<u>\$ 25,216,114</u>	<u>\$ 33,838,507</u>	<u>\$ 42,095,307</u>	<u>\$ 38,652,484</u>
\$ 5,330,174	\$ 5,169,038	\$ 5,052,010	\$ 5,479,973	\$ 4,128,302	\$ 4,028,620
3,269,778	3,512,456	3,546,694	4,204,025	4,163,956	4,046,069
272,146	264,248	182,253	314,978	170,930	336,809
593,830	622,307	601,562	728,837	565,424	825,239
306,982	203,407	-	-	-	-
904,689	781,883	448,414	870,761	548,735	270,342
8,996,714	9,845,684	9,557,739	10,662,696	13,142,563	12,458,360
3,525,437	1,627,548	1,129,642	1,375,517	9,553,750	774,617
1,766,131	1,837,638	1,883,135	2,429,296	2,414,586	2,843,533
1,128,720	1,103,853	1,052,653	1,098,308	1,121,312	1,117,899
-	-	130,029	-	55,000	3,500
<u>\$ 26,094,601</u>	<u>\$ 24,968,062</u>	<u>\$ 23,584,131</u>	<u>\$ 27,164,391</u>	<u>\$ 35,864,558</u>	<u>\$ 26,704,988</u>
\$ 3,377,267	\$ (764,837)	\$ 1,631,983	\$ 6,674,116	\$ 6,230,749	\$ 11,947,496

Town of Westlake

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Continued)

Last Ten Years

(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018
Other Financing Sources (Uses)				
Sale of assets	-	-	1,200,000	-
Issuance of debt	-	-	-	-
Premium on CO issued	-	-	-	-
Refunding bonds issued	-	-	5,795,000	-
Premium on refunding bonds issued	-	-	1,020,809	-
Payments to bond escrow agent	-	-	(6,452,467)	-
Lease issuance	16,740	474,300	-	-
Notes payable issued	162,059	-	-	-
Certificate of obligations issued	-	-	10,710,000	-
Special item	-	-	-	-
Extraordinary item	-	-	-	-
Transfers in	4,617,896	2,485,227	3,621,066	3,949,085
Transfers (out)	(4,294,796)	(2,220,649)	(3,451,750)	(3,877,619)
Total Other Financing Sources (Uses)	501,899	738,878	12,442,658	71,466
Net Change in Fund Balances	\$ 16,297,841	\$ (7,789,659)	\$ 7,412,296	\$ (7,769,725)
Debt service as a percentage of noncapital expenditures	12.7%	11.1%	12.7%	13.3%

Source: Annual Financial Reports

2019	2020	2021	2022	2023	2024
-	-	-	-	-	-
-	-	-	-	3,552,000	-
-	-	249,742	-	-	-
-	-	4,430,000	-	-	-
-	-	337,298	-	-	-
-	-	(4,694,366)	-	-	-
-	585,623	-	581,716	-	-
-	-	-	-	-	-
-	-	3,215,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,902,325	2,673,972	3,155,275	5,092,559	2,909,288	3,215,202
(3,695,112)	(2,596,814)	(2,950,261)	(4,934,801)	(2,909,288)	(3,215,202)
<u>207,213</u>	<u>662,781</u>	<u>3,742,688</u>	<u>739,474</u>	<u>3,552,000</u>	<u>-</u>
<u>\$ 3,584,480</u>	<u>\$ (102,056)</u>	<u>\$ 5,374,671</u>	<u>\$ 7,413,590</u>	<u>\$ 9,782,749</u>	<u>\$ 11,947,496</u>

12.8%

12.6%

13.7%

13.7%

13.6%

15.6%



Town of Westlake, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY **Last Ten Years**

Fiscal Year	Appraised Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
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	1,652,355,031	149,841,592	935,964,493	866,232,130	0.16018
2021	2,042,984,947	161,717,042	564,511,494	1,640,190,495	0.16788
2022	2,414,982,032	147,888,720	752,658,487	1,820,212,265	0.16788
2023	2,675,522,050	278,777,229	790,588,739	2,163,710,540	0.16788
2024	2,966,805,290	259,271,467	765,044,551	2,461,032,206	0.16788

Source: Appraisal District

Town of Westlake, Texas
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

2024

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
DCLI, LLC	\$ 134,848,028	1	5.07%
FMR Texas Ltd. Partnership	111,148,155	2	4.18%
SOL Westlake LP	93,371,372	3	3.51%
Cellco Partnership	69,335,972	4	2.61%
Albany Road-Solana LLC	51,370,754	5	1.93%
MRW Investors/Entrada Restaurant Ptnrs.	42,624,859	6	1.60%
Fidelity Investments, Inc.	31,602,070	7	1.19%
Marsh USA, Inc.	20,157,863	8	0.76%
Supreme Bright Westlake I LLC	15,750,000	9	0.59%
CT West Park No. 1 LTD	<u>13,700,000</u>	10	0.52%
 Total	 <u>\$ 583,909,073</u>		 <u>21.97%</u>

Source: Tarrant County Appraisal District

Table 6

2015		Percentage of Total Town Taxable Assessed Value		
Taxpayer	Taxable Assessed Value	Rank		
Bre Solana LLC	\$ 164,977,385	1		17.47%
FMR Texas LTD Prtnshp/FMR Texas	73,943,304	2		7.83%
DCLI, LLC	51,201,275	3		5.42%
Fidelity Investments Inc.	19,681,046	4		2.08%
Marsh USA Inc.	15,402,374	5		1.63%
Lexington TNI Westlake LP	12,750,000	6		1.35%
Corelogic Solutions LLC	6,494,537	7		0.69%
Prince Whipple Trust	5,802,272	8		0.61%
Vaquero Club, Inc.	5,383,416	9		0.57%
Wells Vernon III	5,310,200	10		0.56%
 Total	 \$ 360,945,809			 38.21%

Town of Westlake, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Adjustments to Levy	Adjusted Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy	
				Amount	Percent of Levy
2015	1,394,914	11,812	1,406,726	1,401,149	99.60%
2016	1,428,932	13,883	1,442,815	1,440,607	99.85%
2017	1,480,120	60,401	1,540,521	1,536,921	99.77%
2018	1,476,611	153,680	1,630,291	1,624,655	99.65%
2019	1,966,661	(3,931)	1,962,730	1,953,575	99.53%
2020	2,365,878	34,399	2,400,277	2,392,470	99.67%
2021	2,369,205	335,571	2,704,776	2,699,328	99.80%
2022	2,713,447	150,777	2,864,224	2,860,396	99.87%
2023	3,235,278	235,108	3,470,386	3,462,134	99.76%
2024	3,940,263	90,985	4,031,248	4,022,973	99.76%

Source: Tarrant County

Table 7

Collections/ Refunds in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
5,807	1,406,956	100.01%
1,145	1,441,752	100.01%
4,944	1,541,865	100.08%
5,582	1,630,237	99.99%
8,957	1,962,532	99.98%
7,432	2,399,901	99.98%
1,949	2,701,277	99.99%
2,147	2,862,543	99.87%
(7,394)	3,454,740	99.87%
-	4,022,973	99.87%

Town of Westlake, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS **Last Ten Years**

Fiscal Year	Town Direct Rates			Overlapping Rates			
	Operating/ General Fund		Debt Service Fund	Total (A)	School Districts		
	Direct				Carroll ISD	Northwest ISD	Keller ISD
2015	\$ 0.13710	\$ 0.01924	\$ 0.15634	\$ 1.40000	\$ 1.45250	\$ 1.54000	
2016	0.13947	0.01687	0.15634	1.40000	1.45250	1.54000	
2017	0.12882	0.00813	0.13695	1.39000	1.45250	1.52000	
2018	0.11133	0.02482	0.13615	1.38500	1.49000	1.52000	
2019	0.13201	0.02399	0.15600	1.38000	1.49000	1.51000	
2020	0.11453	0.04565	0.16018	1.30000	1.42000	1.40830	
2021	0.12490	0.04298	0.16788	1.28640	1.33630	1.39470	
2022	0.12490	0.04298	0.16788	1.26860	1.29200	1.34400	
2023	0.10284	0.06504	0.16788	1.21880	1.27460	1.27290	
2024	0.09117	0.07671	0.16788	1.00250	1.09020	1.08750	

Notes: 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

Source: Tarrant County Appraisal District
Denton Central Appraisal District

Table 8

Overlapping Rates						Total Direct and Overlapping
Counties		Tarrant County College Dist	Tarrant County Hospital Dist.	Trophy Club MUD #1		
Denton County	Tarrant County					
\$ 0.27220	\$ 0.26400	\$ 0.14950	\$ 0.22790	\$ 0.13339	\$ 5.59583	5.59583
0.27220	0.26400	0.14950	0.22790	0.13339	5.59583	
0.24841	0.25400	0.14473	0.22790	0.12722	5.50171	
0.23781	0.24400	0.14006	0.22443	0.12021	5.49766	
0.22499	0.23400	0.13607	0.22443	0.11618	5.47166	
0.22578	0.23400	0.13607	0.22443	0.11618	5.22494	
0.22499	0.23400	0.13017	0.22443	0.10774	5.10661	
0.23309	0.22900	0.13017	0.22443	0.10588	4.99505	
0.21754	0.22400	0.13017	0.22429	0.09134	4.82152	
0.18949	0.19450	0.11217	0.19450	0.06381	4.10255	

Town of Westlake, Texas
TAXABLE SALES BY INDUSTRY TYPE
Last Ten Years

NAICS	Industry Type	2015	2016	2017	2018
11	Agriculture, Forestry, Fishing and Hunting	\$ 775	\$ 2,083	\$ 1,685	\$ 4,303
21	Mining	714	655	128	5
22	Utilities	191,031	138,331	147,000	180,564
23	Construction	216,546	230,067	340,077	1,294,092
31-33	Manufacturing	234,651	209,128	86,798	113,487
42	Wholesale Trade	515,602	356,946	339,854	278,054
44-45	Retail	1,332,659	415,356	458,833	428,355
48-49	Transportation and Warehousing	3,550	1,107	1,133	567
51	Information	567,685	551,172	387,714	817,086
52	Financial and Insurance	295,622	754,386	509,201	709,787
53	Real Estate and Rental and Leasing	708,747	940,971	999,118	675,273
54	Professional, Scientific, and Technical Services	193,145	287,066	261,704	309,704
56	Admin and Support and Waste Mgmt & Rem Srv	50,264	125,033	85,430	93,967
61	Education Services	201,761	230,775	220,078	555,159
62	Health Care and Social Assistance	2,887	228	398	999
71	Arts, Entertainment and Recreation	189,027	201,391	241,107	216,403
72	Accommodation and Food Services	246,755	230,615	233,769	228,003
81	Other Services (except Public Administration)	8,965	3,167	2,963	2,772
92	Public Administration	-	-	1	1,391
		\$ 4,960,386	\$ 4,678,477	\$ 4,316,991	\$ 5,909,971

Town direct sales tax rate 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

Table 9

2019	2020	2021	2022	2023	2024
\$ 336	\$ 196	\$ 808	\$ 258	\$ 1,537	\$ 415
-	11	20	-	-	-
183,347	179,545	206,392	265,341	343,837	320,191
2,249,378	1,385,998	667,542	565,978	803,382	504,886
284,939	350,447	343,715	407,905	520,825	464,845
533,723	406,321	597,218	481,305	444,526	441,394
523,021	737,764	942,782	698,459	809,683	888,289
624	1,723	731	1,789	1,380	1,468
793,755	764,753	1,985,535	5,943,401	6,288,810	3,312,258
835,150	352,872	141,787	690,168	2,419,260	2,695,503
928,259	884,229	174,719	170,707	2,331,425	248,738
519,447	596,913	1,014,951	720,804	1,232,370	921,518
98,927	76,437	154,815	120,659	14,957	13,143
577,530	424,882	153,277	437,497	419,534	1,033,961
592	692	673	616	546	137
266,915	460,281	379,180	626,503	467,120	604,250
226,361	122,585	135,043	215,823	390,694	461,119
2,329	4,285	4,089	6,254	25,571	194,268
1,656	1,717	2,427	2,029	2,198	2,625
\$ 8,026,289	\$ 6,751,651	\$ 6,905,704	\$ 11,355,496	\$ 16,517,655	\$ 12,109,008

2.00% 2.00% 2.00% 2.00% 2.00% 2.00%



Town of Westlake, Texas
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Sales	(1) Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2015	\$ 17,480,000	\$ 11,046,131	\$ -	\$ 28,526,131	\$ 11.58%	\$ 23,772
2016	17,091,659	10,739,306	-	27,830,965	12.08%	20,080
2017	15,267,000	18,460,700	1,530,000	35,257,700	15.16%	23,727
2018	15,457,018	19,361,251	1,328,000	36,146,269	12.04%	23,200
2019	14,504,400	20,957,422	1,116,000	36,577,822	9.11%	22,719
2020	12,660,000	19,914,365	901,000	33,475,365	9.07%	20,117
2021	12,690,000	20,042,866	682,000	33,414,866	10.49%	18,772
2022	11,655,000	19,365,261	459,000	31,479,261	5.49%	17,108
2023	10,600,000	17,397,600	3,784,000	31,781,600	5.09%	16,536
2024	9,510,000	16,824,000	3,098,000	29,432,000	6.55%	14,672

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

(1) See Demographic and Economic Statistics table for population data and personal income.

Town of Westlake, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Lease Liabilities	Loans
2015	\$ 17,480,000	\$ 11,046,131	-	\$ 154,347	\$ 357,041
2016	17,091,659	10,739,306	-	563,045	275,101
2017	15,267,000	18,460,700	1,530,000	162,004	238,404
2018	15,457,018	18,432,779	1,328,000	-	201,737
2019	14,504,400	17,930,135	1,116,000	-	165,050
2020	12,660,000	16,996,900	901,000	398,012	128,372
2021	12,690,000	20,042,866	682,000	2,419,147	91,696
2022	11,655,000	19,365,261	459,000	2,416,494	55,019
2023	10,600,000	17,397,600	3,748,000	1,875,285	18,342
2024	9,510,000	16,824,000	3,098,000	1,420,012	-

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

(1) See Demographic and Economic Statistics table for population data and personal income.

Table 11

Business-Type Activities				Total Primary Government	(1) Percentage of Personal Income	(1) Per Capita
Other Contractual Obligations	Lease Liabilities	Certificates of Obligation	General Obligation Bonds			
\$ 5,226,294	\$ -	\$ 1,286,881	\$ -	\$ 35,550,694	23%	\$ 27,927
5,126,958	-	971,300	-	34,767,369	20%	28,308
5,156,839	-	949,300	-	41,764,247	22%	28,105
4,913,865	-	927,300	-	41,260,699	20%	28,765
4,800,109	-	3,027,287	-	41,542,981	19%	28,765
4,679,944	-	2,917,465	-	38,681,693	16%	23,246
4,679,944	381,193	2,802,643	-	43,789,489	17%	24,601
-	329,497	3,439,183	14,920,000	52,639,454	19%	28,608
-	276,078	2,542,400	14,550,000	51,007,705	17%	27,388
-	220,642	2,421,000	14,165,000	47,658,654	15%	26,241

Town of Westlake , Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2024

Taxing Body	Amount of		Overlapping		
	Debt Outstanding	As of	Percent (1)	Amount	
Carroll ISD	\$ 269,520,000	9/30/2024	7.86%	\$ 21,184,272	
Denton County	673,670,000	9/30/2024	0.27%	1,818,909	
Keller ISD	736,234,989	9/30/2024	4.16%	30,627,376	
Northwest ISD	2,280,247,569	9/30/2024	1.68%	38,308,159	
Tarrant County	345,130	9/30/2024	0.79%	2,726,527	
Tarrant County College District	569,915,000	9/30/2024	0.79%	4,502,329	
Tarrant County Hospital District	440,020,000	9/30/2024	0.79%	3,476,158	
Trophy Club MUD#1	4,290,000	9/30/2024	20.39%	874,731	
Total Overlapping Debt				103,518,461	
Town of Westlake Outstanding Debt				46,018,000	
Total Direct & Overlapping Debt				\$ 149,536,461	

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.

Table 13

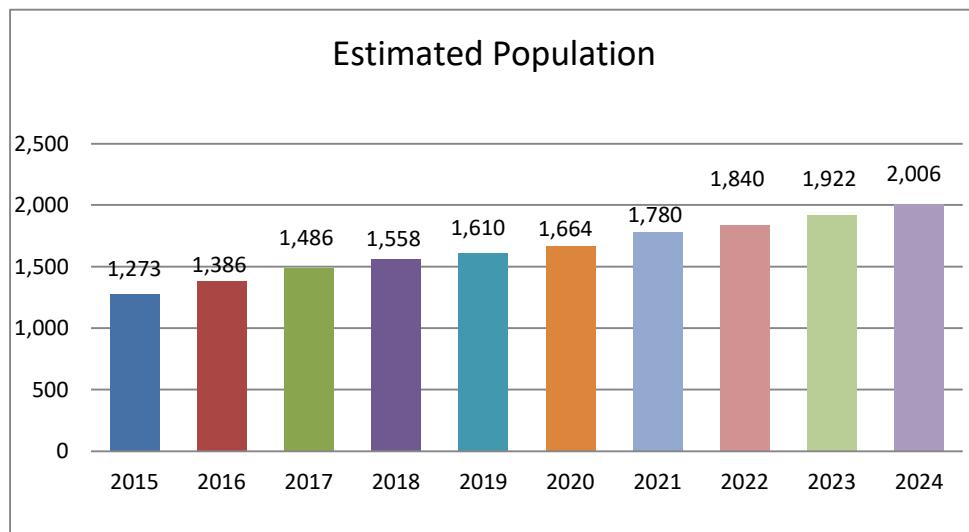
Town of Westlake, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Year	Estimated Population	Average Home Value	Median Age	School Enrollment	Tarrant County Unemployment Rate
2015	1,273	\$ 1,492,650	41.8	811	4.20%
2016	1,386	1,804,104	41.7	808	4.20%
2017	1,486	1,762,468	41.5	830	3.50%
2018	1,558	1,814,031	44.0	856	3.50%
2019	1,610	2,009,473	45.6	869	3.20%
2020	1,664	1,946,146	45.6	889	7.10%
2021	1,780	2,111,456	45.6	855	4.70%
2022	1,840	2,578,547	43.7	874	3.50%
2023	1,922	3,140,610	47.8	867	3.80%
2024	2,006	3,187,812	46.8	882	3.90%

Sources: US Bureau of Labor Statistics
 Westlake Academy
 Tarrant Appraisal District
 North Central Texas Council of Governments
 United States Census - Median Age



Town of Westlake, Texas

PRINCIPAL EMPLOYERS

Current and Nine Years Ago - Unaudited

2024

Employer	Employees	Percentage of Estimated Total Town Employment
Fidelity Investments	7,000	38.11%
Charles Schwab	4,765	25.94%
Goosehead	800	4.35%
Wells Fargo	787	4.28%
Coremark	500	2.72%
Deloitte University	500	2.72%
Robinhood	500	2.72%
Circle T Ranch	527	2.87%
Kiewett	497	2.71%
ECI Solutions	307	1.67%
Sound Physicians	200	1.09%
Town of Westlake/Westlake Academy	166	0.90%
Verizon	164	0.89%
Marriott at Solana	132	0.72%
Virbac	130	0.71%
 Total	 <hr/> <hr/> 16,975	 <hr/> <hr/> 92.41%

Table 14

2015		Percentage of Estimated Total Town Employment
Employer	Employees	
Fidelity Investments	5,843	51.51%
Core Logic	1,790	15.78%
Wells Fargo	617	5.44%
Deloitte	460	4.06%
TD Auto Finance	390	3.44%
Sabre JLL Facilities	317	2.79%
First American Title	262	2.31%
Verizon Wireless	412	3.63%
Travelocity	200	1.76%
Sount Physicians	170	1.50%
Vaquero Country Club	123	1.08%
Marriott Solana Hotel	108	0.95%
Westlake Academy	94	0.83%
Total	<u><u>10,786</u></u>	<u><u>95.08%</u></u>

Town of Westlake, Texas
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years - Unaudited

Function/Program	2015	2016	2017	2018
General Government				
Town Manager	1.00	1.00	1.00	1.00
Deputy Town Manager				0.00
Assistant Town Manager	1.00	0.90	1.00	1.00
Assistant to Town Manager	0.00	0.50	0.50	0.75
Procurement Specialist	0.00	0.00	0.00	0.00
Administrative Assistant	0.50	0.00	1.50	1.00
Planning & Development	1.66	3.17	4.00	4.00
Town Secretary	1.25	1.25	1.50	1.50
Facilities/Grounds Maintenance	1.34	1.58	0.50	1.75
Municipal Court	5.00	4.60	4.00	3.50
Finance	4.00	4.25	4.00	4.00
Human Resources	2.00	2.00	2.00	2.00
Information Technology	1.00	1.00	1.00	2.00
Public Safety (EMS)	14.25	14.25	11.00	15.50
Culture and Recreation	0.84	0.84	0.50	0.50
Public Works	2.66	2.67	3.00	4.00
Marketing and Public Affairs	2.00	2.00	2.00	2.00
Education	93.65	95.31	95.05	98.00
Total	132.15	135.32	132.55	142.50

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

Table 15

2019	2020	2021	2022	2023	2024
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	0.00
1.00	1.00	1.00	1.00	1.00	0.00
0.00	1.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
4.00	4.00	4.00	4.00	4.00	4.00
1.50	1.00	1.00	1.00	1.00	1.00
1.00	0.83	0.83	0.83	0.50	0.00
4.25	4.75	4.75	4.75	5.75	3.75
4.00	3.00	5.00	5.00	6.00	5.00
2.00	2.00	1.00	2.00	2.00	2.00
2.00	2.00	2.00	3.00	4.00	4.00
15.50	15.00	18.00	18.00	20.00	19.00
1.00	0.83	0.83	0.83	0.50	0.00
4.00	4.33	4.33	4.33	4.00	5.00
2.00	2.00	2.00	2.00	3.00	3.00
95.00	100.26	103.51	103.51	106.26	116.00
140.25	145.00	151.25	153.25	161.01	165.75

Town of Westlake, Texas
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years - Unaudited

Function/Program	2015	2016	2017	2018
General government				
Permits issued	159	218	217	259
Permit values	\$ 80,011,354	\$ 87,307,794	\$ 262,690,940	\$ 311,013,915
Police (Contract with Keller PD)				
Motor vehicle stops	10,432	11,109	10,718	8,339
Traffic accident investigations	398	461	386	333
Part I crimes	20	13	22	31
DWI arrests	62	66	70	50
Fire/EMS				
Fire runs	211	257	248	320
Ambulance runs	253	288	269	202
Inspections	261	246	290	188
Public Works - General				
Street resurfacing (LF)	-	-	6,000	-
Potholes repaired	20	20	10	5
Public Works - Utility				
Number of water accounts	713	752	810	835
Water main breaks	1	-	-	1
Avg daily consumption MG (water)	1.021	1.122	1.233	1.400
Peak daily consumption MG (water)	2.770	1.586	1.646	1.564
System capacity - MG (water)	2.685	2.685	2.685	2.685
Water purchased (in gallons x 000)	372,838	409,817	450,208	510,931
Water sold (in gallons x 1000)	360,000	350,000	419,520	470,168
Wastewater				
Number of sewer connections	384	403	454	503
Avg daily sewage treatment (thousands of gallons)	0.166	0.132	0.172	0.170

Source: Various Town departments

Notes: N/A represents information that is unavailable.

Table 16

2019	2020	2021	2022	2023	2024
250	193	221	370	332	346
\$ 332,197,798	\$ 65,739,881	\$ 109,039,264	\$ 196,266,935	\$ 303,086,673	\$ 662,548,723
7,729	7,457	7,049	7,351	5,016	6,429
327	219	254	310	265	348
14	48	48	34	28	49
25	33	36	47	30	60
235	308	371	412	359	293
206	128	272	227	179	292
227	103	165	150	227	313
-	5,012	8,820	4,345	-	1,000
8	10	15	25	-	10
762	773	807	855	911	940
2	4	2	3	3	1
1,157	1,345	1,250	1,653	1,818	1,654
2,003	2,709	2,789	3,125	3,975	4,452
2,685	2,685	2,685	2,685	2,685	2,660
470,817	477,405	465,605	628,146	686,822	595,359
422,635	492,376	456,401	603,281	663,481	620,023
531	552	588	626	670	688
0.190	0.210	0.191	0.235	0.235	0.235

Town of Westlake, Texas

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years - Unaudited

Function/Program	2015	2016	2017	2018
Fire				
Stations	1	1	1	1
Public Works - Utility				
Pump station	1	1	1	1
Lift station	3	3	3	3
Telecommunications Duct Bank (LF)	66,084	66,084	82,231	82,231
Telecommunications Duct Bank Manholes	140	140	140	140
Water				
Water mains (LF)	148,117	148,117	181,393	181,393
Fire hydrants	214	214	256	256
Storage capacity MG	2,685	2,685	2,685	2,685
Wastewater				
Sanitary sewers (LF)	104,373	104,373	123,168	123,168
Manholes	355	355	444	444
Public Works - Utility				
Streets (miles)	10.50	10.42	10.42	10.42
Traffic signals (school zone flashers)	2	2	2	2
Parks and recreation				
Open Space (acres)	27	27	27	27
Playgrounds	2	2	2	2
Softball/soccer field	1	1	1	1
Football field	1	1	1	1
Public trails (miles)	8.5	8.5	8.5	15.0

Source: Various Town departments

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

Table 17

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
82,231	86,711	86,711	86,711	86,711	86,711
140	160	160	180	180	180
181,393	188,387	188,387	189,475	189,475	189,475
256	267	267	275	275	275
2,685	2,685	2,685	2,685	2,685	2,685
123,168	128,923	128,923	129,985	129,985	129,985
444	467	467	480	480	480
10.84	10.84	10.84	10.84	11.14	11.14
2	2	4	4	4	4
27	27	27	27	27	27
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
16.0	16.0	16.0	16.0	16.0	16.0

