



THE TOWN OF  
**WESTLAKE**  
DISTINCTIVE BY DESIGN



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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2019**



*Investing in our Community  
Investing in our Vision*



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

# Town of Westlake, Texas

Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2019

**Prepared by:**

Town of Westlake  
Finance Department

1500 Solana Blvd, Suite 7200  
Westlake, Texas 76262



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THE TOWN OF  
**WESTLAKE**

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**Town of Westlake**  
Consolidated Annual Financial Report  
For the Fiscal Year Ended September 30, 2019  
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March 24, 2020

Honorable Mayor, Council Members and the 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 Comprehensive Annual Financial Report (CAFR) for the Town of Westlake, Texas for the fiscal year ended September 30, 2019, 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 absolute, assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Weaver and Tidwell, L.L.P. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2019, 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, 2019, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

This report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, a listing of Town Officials, and an organizational chart of the Town. The Financial Section includes the independent auditor's report on the basic financial statements, Management's Discussion and Analysis (MD&A), basic financial statements, the notes to the basic financial statements, and combining and individual fund statements and schedules. The MD&A is a narrative introduction, containing overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement, and should be read in conjunction with the MD&A. 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. The statistical data is generally presented on a multi-year basis.

## Profile of the Town

Westlake is an oasis of natural beauty that maintains open spaces in balance with distinctive development, trails, and quality of life amenities amidst an ever-expanding urban landscape.

Nestled in the Dallas-Fort Worth Metroplex (DFW), Westlake is Gold Level Scenic City and Tree City USA designated, and home to many small independent businesses and several corporate campuses

Distinctive developments and architecturally vibrant corporate campuses find harmony among our meandering roads and trails, lined with native oaks and stone walls. We are leaders 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 town. Hospitality finds its home in Westlake, as a community, we are family friendly, welcoming, fully involved and invested in our rich heritage, vibrant present and exciting, sustainable future.

Westlake is conveniently located between DFW Airport and Alliance Airport, on the south side of State Highway (SH) 114, providing quick, easy access to all areas of the DFW Metroplex.

The unique location of Westlake is ideal for many of its major corporate campuses and residential communities. A common ideal shared by our corporate and individual residents is their support of the existing character and charm of the community as well as a commitment to excellence in new development.

Minutes from downtown Fort Worth and DFW International Airport, the Town of Westlake is home to several upscale residential communities and Fortune 500 companies, all of which share a unique character and charm, along with a commitment to excellence. The Town is located in northeast Tarrant County and may be conveniently accessed by several major thoroughfares, including SH 114 and US 377. The Town occupies approximately seven (7) square miles and serves a population of approximately 1,383. In 2019, the average size of new home construction was 10,147 square feet with an average estimated construction cost of \$2.04 million.

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

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

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

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

**Westlake Academy (Academy)** is an open-enrollment charter school, as provided by Subchapter D, Chapter 12, of the Texas Education Code. The Town of Westlake (“Charter Holder”) applied for and became the first municipality in Texas to ever receive this special charter designation. The Academy had 869 students in FY 18-19 and serves Kindergarten thru 12<sup>th</sup> grade. The Academy graduated their first class in FY 09-10. The Board consists of six (6) trustees and is appointed by the Town’s governing body. Currently, all members of the board of trustees are members of the Town’s governing body. The Academy’s year-end is August 31

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

## **Services Provided**

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

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

## **Economic Conditions and Outlook**

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

The extent of the operational and financial impact the COVID-19 pandemic may have on the Town has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, the Town is unable to accurately predict how COVID-19 will affect the results of its operations because the virus’s severity and the duration of the pandemic are uncertain.

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

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

The Town staff is aware that the Town of Westlake does not create wealth, but instead, is entrusted with public dollars collected on behalf of our citizens. We are stewards who are fully vested in the success of the Town of Westlake and Westlake Academy. We exist as a municipal corporation for one reason and one reason only: to prioritize and deliver the best services possible with the resources provided to achieve an exceptional quality of life. This is a challenge the Staff takes very seriously, one that we pursue with vigor every day. Over the previous fiscal year, the Town's work on important initiatives and projects allows us to balance our "distinctive development, trails, and quality of life amenities amidst an ever-expanding urban landscape."

Because of the current and potential development within our community, it continues to be both an exciting and challenging time in Westlake! Adhering to the Town's Vision remains the key to Westlake's success for managing the significant growth. While growth is occurring, it also presents very clear challenges 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 top quality residences, strong aesthetic standards, a top-tier Town owned 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 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.

The impact of anticipated growth along the SH 114 corridor is described by Mr. Robin McCaffrey (AIA and APA) of MESA Planning, the firm that was engaged to update the Town's 2015-Comprehensive Plan, *Forging Westlake*. According to Mr. McCaffrey:

*Westlake, with the arrival of the Charles Schwab Corporation project, is crossing through a portal into the future suggested by the Town's 2015 Comprehensive Plan. In conjunction with Fidelity and other financial services in and around Westlake, Westlake hosts nearly 4 million square feet of an industry type (i.e. financial services), constituting a significant Industry Cluster. At this scale, the aggregation of a single industrial code activity is important enough to attract vertical and horizontal expansion, which further substantiates Westlake's importance as a financial services center in the Dallas/ Fort Worth Metroplex. Bringing the above described importance to the Town's other advantages of proximity, makes Westlake a singularly important center for growth and development going forward.*

- **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 2019's population of 1,610 represents an increase of 870% equal to 1,425 additional residents. We will monitor and plan for the anticipated increase in these numbers considering our Comprehensive Plan's forecast of approximately 7.21% annual population growth between now and 2040. This would bring us to around 7,000 residents.
- **Traffic demands Due to Growth in Westlake and Surrounding Areas:** The four (4) municipalities surrounding Westlake (Keller, Southlake, Trophy Club, and Roanoke) are projected to have a combined population of 215,000 people by 2040. The growth in these communities will generate additional traffic that commutes through our Town. With our projected level of residents (7,000) and the 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 established in our Comprehensive Plan will be essential for addressing this issue via the Town's thoroughfare plan as it pertains to development which occurs in the community.

- **Housing Start Increases and Maintaining Westlake’s High-Quality Residential Housing:** We continue to see strong single-family residential construction demand. This has been demonstrated in Granada, Carlyle Court, Quail Hollow, Vaquero, and Terra Bella. Additionally, the infrastructure for a new single-family residential development, The Knolls is under construction.

Also, the mixed-use development called Entrada continues to progress with residential and commercial projects under construction and making significant headway. Entrada’s infrastructure is being 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 town homes.

Our residential construction activity shows a steady increase in building permits for housing which has occurred since we have emerged from the 2008-09 recession. Housing starts in Westlake, due to the high value of our homes, add taxable value to our taxing base; however, this also impacts the demand for municipal services, especially the Town’s charter school, Westlake Academy.

As the area economy continues to perform well, and Westlake and our surrounding communities continue to experience commercial development, this will further attract individuals who work for and own these businesses. In turn, these individuals will need housing. As our housing stock expands in response to these forces, we will need to manage our distinctive developments to ensure we maintain our community as an ‘oasis of natural beauty’ and achieve high-end housing options as identified in the Housing element of our Comprehensive Plan.

#### **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 is growing and is conservatively estimated to be approximately 14,000 individuals. These office complexes are comprised of notable corporate clients that include Deloitte LLP, Fidelity Investments and Charles Schwab.
- **Charles Schwab Corporate Campus:** Since the announcement of their regional corporate campus in 2016, Phase 1 consists of a 500,000-square foot office building and parking garage completed and occupied in 2019. Phase 2 was announced in 2018 and will comprise an additional 500,000 square foot office building and parking garage. Adjacent to the Schwab campus will be a mixed-use development, which Hillwood Properties will develop near the intersection of SH170 and SH114. The campus will initially have approximately 1,500-1,900 employees and should round out with an estimated 6,000 employees when all phases are complete
- **Commercial Development in Entrada:** The mixed-use development called Entrada, located at FM1938/Davis Boulevard and SH114, will also create growth in our commercial tax base. During the past budget year additional commercial buildings have been approved by the Town for the development. A CVS Pharmacy is open for business as well as a Primrose Private School. Starbucks and restaurants are scheduled to open in 2020. Other commercial uses include various retail, restaurants, 30,000 square foot event center, and hotels.

- **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 positions for employees. The completion of Charles Schwab along with its merger with TD AmeriTrade’s complex in Southlake, 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 bucolic 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:

- **Impact of the Legislative Session** – During the 86<sup>th</sup> Texas legislative session, the Legislature passed several bills that impact the Town. The most noted would be Senate Bill 2 which sets a 3.5% cap on maintenance and operations funding from property tax. The impact of this and other bills passed will necessitate changes in our internal operations as well as our revenue forecasts in future years. These bills will alter the methodology the Town utilized to raise revenues to fund both municipal and academic service delivery and will alter certain components of our processes
- **Water usage and demand** – The Town’s future water needs have been secured through a regional waterline project anticipated to be completed Summer 2020.
- **Westlake’s residential growth impact on the Academy:** Planning for Academy growth in the face of residential development continues to be a challenge. Wherever possible, the Town has entered economic development agreements with residential developers to provide funding for Westlake Academy facilities to lessen the impact of their residential development on the school’s enrollment. Town staff is currently updating Westlake Academy Facility Master Plan to determine student population and facility needs.
- **Pursuit of Infrastructure and Services Reinvestment While Combating Certain Cost Increases:** We must also reinvest in maintaining our infrastructure. However, with growth comes the need to allocate capital spending in new public buildings and our water and sewer utility. An example of a key project needed to deal with the Town’s growth, is a Phase 2 water transmission line to our wholesale water provider. This is a costly project which required a significant investment in our water system.

As our community and those surrounding us continue to grow, staff will maintain partnerships and/or opportunities that will help foster 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 the ability of our surrounding highway capacity for transient vehicles. Town staff is working with TxDOT regarding plans for construction of service roads between FM 1938 and Dove Road in Southlake and for the construction of SH 170 main lanes from SH 114 west to I-35.

Users of this document, as well as others interested in the programs and services offered by the Town of Westlake, are encouraged to read the Town's Fiscal Year 2018-2019 Budget. The budget details the Town's long-term goals and financial policies and describes program accomplishments and initiatives.

### **Other Information**

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westlake for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, we also received our twelfth GFOA Distinguished Budget Presentation Award for the fiscal year beginning October 1, 2018 for our municipal budget. To qualify for the Distinguished Budget Presentation Award, the Town budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

### **Acknowledgements**

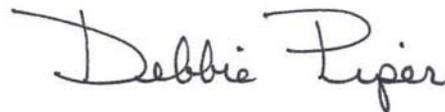
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to Town employees throughout the organization, especially those employees who were instrumental in the successful completion of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

The staff would also like to thank the Mayor and Town Council for their conservative leadership and their support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully Submitted,



Amanda DeGan  
Town Manager/Superintendent



Debbie Piper, CPA  
Finance Director



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

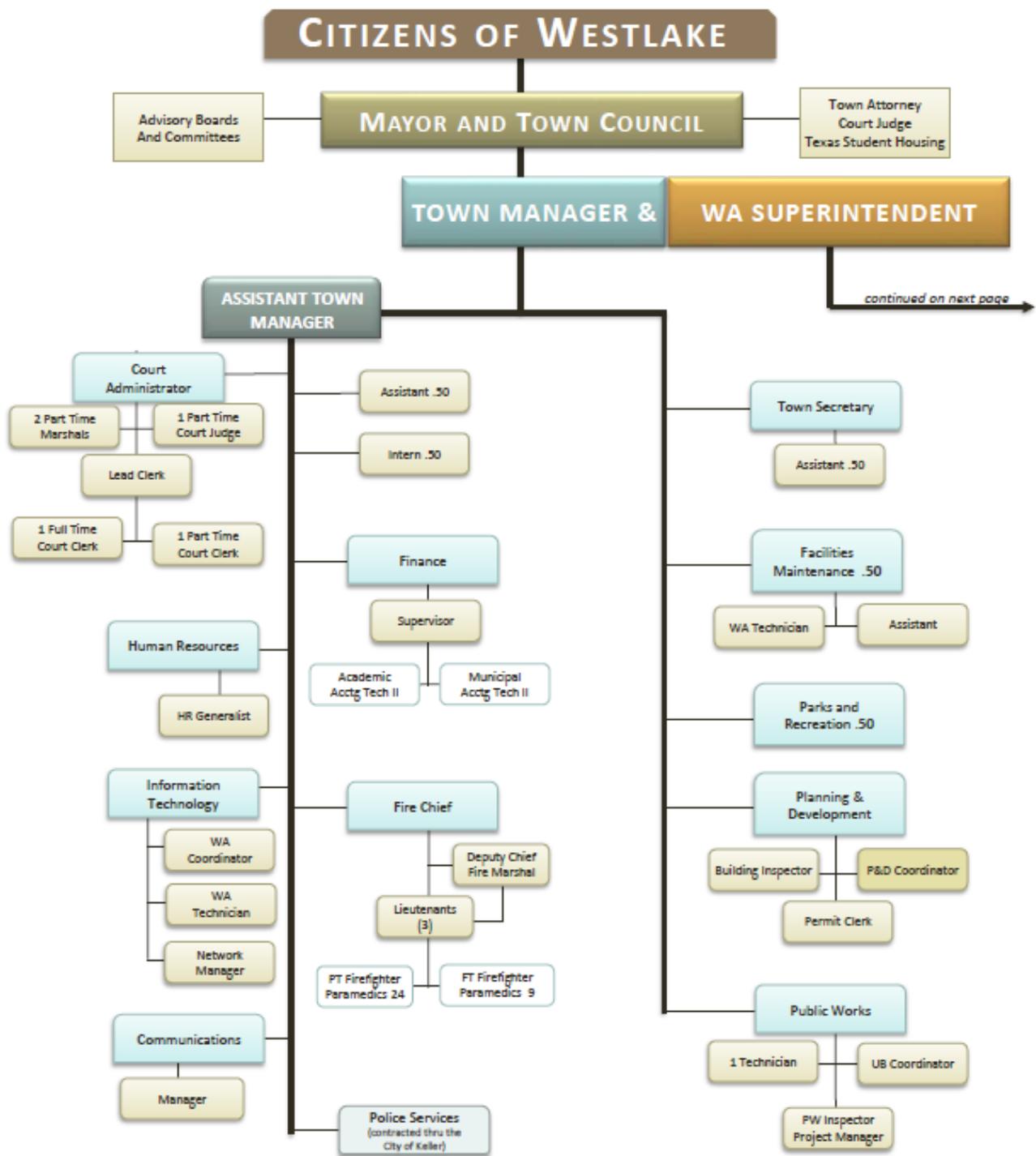
**Town of Westlake  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

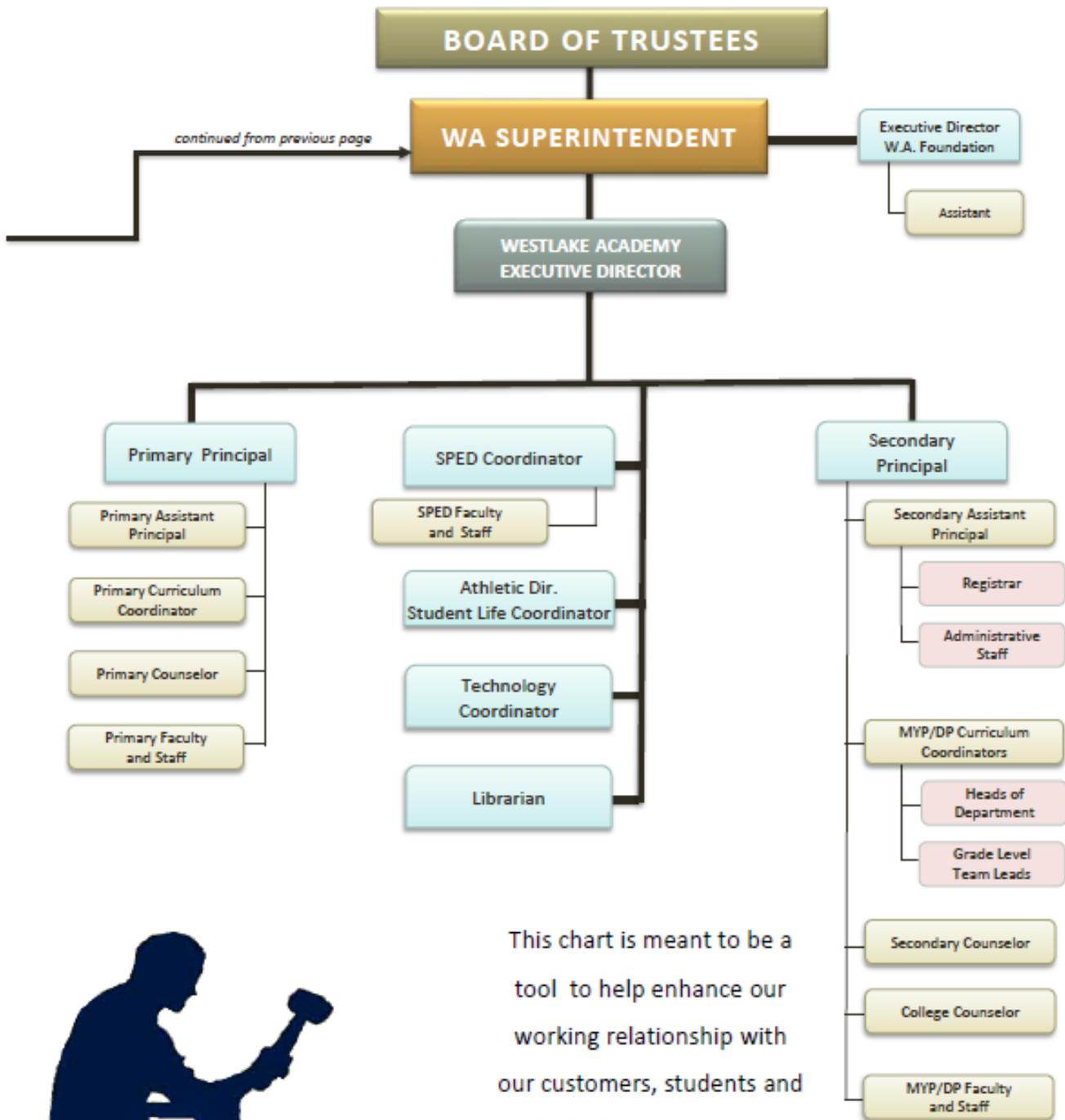
*Christopher P. Morill*

Executive Director/CEO



This organizational chart is a visual depiction of the way work is distributed within the Town of Westlake. It is also meant to be a tool to help enhance our working relationship with our customers, students and stake-holders, and to clear channels of communications to better accomplish our goals and objectives.

This organizational chart is a visual depiction of the way work is distributed within Westlake Academy



This chart is meant to be a tool to help enhance our working relationship with our customers, students and stake-holders, and to clear channels of communications to better accomplish our goals and objectives.

# TOWN OF WESTLAKE

## ELECTED AND APPOINTED OFFICIALS



Laura  
Wheat



Alesa  
Belvedere



Michael  
Barrett



Rick  
Rennhack



Carol  
Langdon



Greg  
Goble

### ELECTED OFFICIALS

Mayor	Laura Wheat
Mayor Pro-Tem	Carol Langdon
Council Member	Alesa Belvedere
Council Member	Michael Barrett
Council Member	Rick Rennhack
Council Member	Greg Goble

### APPOINTED OFFICIALS

AMANDA DEGAN  
Town Manager

NOAH SIMON  
Deputy Town Manager

JARROD GREENWOOD  
Assistant Town Manager

DEBBIE PIPER  
Director of Finance

TODD WOOD  
Town Secretary

GINGER AWTRY  
Director of  
Administrative Services

JASON POWER  
Director of  
Information Technology

RON RUTHVEN  
Director of Planning  
and Development

TROY MEYER  
Director of Facilities and  
Public Works

RICHARD WHITTEN  
Fire Chief

# Financial Section



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Westlake (the Town) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

***Emphasis of Matters***

*Regarding Going Concern*

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

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 19 and budgetary comparison information and pension and OPEB schedules on pages 91 through 101 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 introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2020 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

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

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 24, 2020



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

# Management's Discussion and Analysis



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

## Management's Discussion and Analysis

Management of the Town of Westlake offers the readers of the Town's financial statements this narrative overview and analysis of the financial activities and financial position of the Town for the fiscal year ended September 30, 2019. Financial reporting is limited in its ability to provide the "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and/or expenditures higher or lower than the previous year? Has the net position (containing both short-term and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal and the statistical section, as well as information in the annual operating budget, along with other community information found on the Town's website at [www.westlake-tx.org](http://www.westlake-tx.org). It should be noted that the Independent Auditor's Report describes the auditors' association with the various sections of this report and that all the additional information from the website and other Town sources are unaudited.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$60,953,180 (Net position). This number must be viewed within the context that the vast majority of the Town's net position of \$52,939,481 (86.9%) is its investment in capital assets and that most capital assets in a government entity do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totaled \$3,786,893 (6.2%). The remaining amount, \$4,226,806 (6.9%), represents unrestricted net position.
- As of the close of the current fiscal year, the Town of Westlake's governmental funds reported combined ending fund balances of \$23,622,873, which is an increase of \$3,584,480 in comparison with the prior year. Within this total, \$8,722,223 is non-spendable, restricted, committed or assigned by management or council.
- At the end of the current fiscal year, fund balance for the general fund was \$15,238,198 an increase of \$4,441,950 in comparison with the prior year. Of this total fund balance, \$14,900,650 is unassigned. This represents 156.8% of the total general fund expenditures and is equivalent to 565 operating days.
- The Town's capital assets (net of accumulated depreciation) increased by \$2,063,726. This is due in large part to an increase of \$3,847,255 in capital outlay and \$608,923 in developer contributions.
- The Town's long-term debt increased by \$235,419 in total, due to the scheduled repayment of principal on outstanding bonded debt and issuance of debt of \$2,100,000.

### Overview of the Financial Statements

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

- 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

## Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements include not only the Town (known as the *primary government*), but also discretely presented component units including all the Texas Student Housing entities. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. In addition, the Town has the following blended component units: Lone Star Public Facilities Corporation, 4B Economic Development Corporation, and Westlake Academy, an open enrollment charter school owned and operated by the Town of Westlake. See page 42 of the "Financial Section" for detail on these entities.

## Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Below are the three types of funds.

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

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

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 – 88 of this report.

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

The schedules are presented immediately following the notes to the financial statements and can be found on pages 91 - 113.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$60,953,180 at the close of the most recent fiscal year.

The Town's *combined* net position changed from a year ago, increasing \$5,200,859. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

The largest portion of the Town's net position, \$52,939,481 (86.9%), reflects its investment in capital assets (e.g. land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire capital assets still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$3,786,893 (6.2%), represents resources that are subject to external or internal restrictions on how they may be used. The remaining balance of \$4,226,806 (6.9%) represents unrestricted net position which is available for the Town's ongoing expenses.

**Table 1**  
**Condensed Statement of Net Position**  
**At September 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current and other assets	\$ 25,588,032	\$ 23,067,847	\$ 7,165,216	\$ 4,952,871	\$ 32,753,248	\$ 28,020,718
Capital assets	77,683,045	75,098,124	10,641,867	11,163,062	88,324,912	86,261,186
<b>Total Assets</b>	<b>103,271,077</b>	<b>98,165,971</b>	<b>17,807,083</b>	<b>16,115,933</b>	<b>121,078,160</b>	<b>114,281,904</b>
Deferred outflows of resources	2,816,250	2,031,443	103,307	68,448	2,919,557	2,099,891
<b>Liabilities</b>						
Noncurrent liabilities	40,286,447	40,439,383	8,115,903	6,064,710	48,402,350	46,504,093
Other liabilities	2,092,732	3,168,518	11,425,166	9,483,304	13,517,898	12,651,822
<b>Total Liabilities</b>	<b>42,379,179</b>	<b>43,607,901</b>	<b>19,541,069</b>	<b>15,548,014</b>	<b>61,920,248</b>	<b>59,155,915</b>
Deferred inflows of resources	1,115,505	1,444,570	8,784	28,989	1,124,289	1,473,559
<b>Net Position</b>						
Net investments in capital assets	48,030,010	47,629,452	4,909,471	5,293,188	52,939,481	52,922,640
Restricted	3,786,893	1,077,646	-	-	3,786,893	1,077,646
Unrestricted	10,775,740	6,437,845	(6,548,934)	(4,685,810)	4,226,806	1,752,035
<b>Total Net Position</b>	<b>\$ 62,592,643</b>	<b>\$ 55,144,943</b>	<b>\$ (1,639,463)</b>	<b>\$ 607,378</b>	<b>\$ 60,953,180</b>	<b>\$ 55,752,321</b>

**Table 2**  
**Changes in Net Position**  
**For the Years Ended September 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 6,808,893	\$ 3,195,972	\$ 5,404,863	\$ 5,824,258	\$ 12,213,756	\$ 9,020,230
Operating grant and contributions	9,166,821	7,044,597	-	-	9,166,821	7,044,597
Capital grants and contributions	1,861,623	424,948	54	1,271	1,861,677	426,219
General revenues						
Taxes						
Sales taxes	8,032,671	6,003,605	-	-	8,032,671	6,003,605
Property taxes	1,956,630	1,629,640	-	-	1,956,630	1,629,640
Hotel occupancy taxes	861,710	849,167	-	-	861,710	849,167
Mixed beverage taxes	66,923	62,347	-	-	66,923	62,347
Franchise taxes	964,239	779,506	-	-	964,239	779,506
Interest on investments	517,128	356,076	110,208	79,961	627,336	436,037
Miscellaneous	142,230	215,076	-	-	142,230	215,076
<b>Total revenues</b>	<b>30,378,868</b>	<b>20,560,934</b>	<b>5,515,125</b>	<b>5,905,490</b>	<b>\$ 35,893,993</b>	<b>\$ 26,466,424</b>
<b>Expenses</b>						
General governmental	6,091,403	4,776,131	-	-	6,091,403	4,776,131
Public safety	3,489,071	3,133,733	-	-	3,489,071	3,133,733
Culture and recreation	299,815	184,685	-	-	299,815	184,685
Economic development	306,982	469,852	-	-	306,982	469,852
Public works	1,368,049	1,820,908	-	-	1,368,049	1,820,908
Visitor services	927,670	885,654	-	-	927,670	885,654
Education	9,523,906	6,568,453	-	-	9,523,906	6,568,453
Interest on long-term debt	1,131,485	1,184,818	-	-	1,131,485	1,184,818
Water and sewer	-	-	7,544,125	7,049,946	7,544,125	7,049,946
Cemetery	-	-	10,628	9,754	10,628	9,754
<b>Total expenses</b>	<b>23,138,381</b>	<b>19,024,234</b>	<b>7,554,753</b>	<b>7,059,700</b>	<b>30,693,134</b>	<b>26,083,934</b>
Increase (decrease) in net position before transfers	7,240,487	1,536,700	(2,039,628)	(1,154,210)	5,200,859	382,490
Transfers	207,213	71,466	(207,213)	(71,466)	-	-
Change in net position	7,447,700	1,608,166	(2,246,841)	(1,225,676)	5,200,859	382,490
Net position, beginning	55,144,943	58,048,432	607,378	1,836,874	55,752,321	59,885,306
Cumulative effect of a change in accounting principle	-	(4,511,655)	-	(3,820)	-	(4,515,475)
<b>Net position, ending</b>	<b>\$ 62,592,643</b>	<b>\$ 55,144,943</b>	<b>\$ (1,639,463)</b>	<b>\$ 607,378</b>	<b>\$ 60,953,180</b>	<b>\$ 55,752,321</b>

**Governmental activities:** Governmental activities increased the Town's net position by \$7,447,700 (13.5%). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, other legal requirements, and/or Council or management's decision, increased by \$4,337,895 primarily due to an increase in charges for services from building permits and fees and sales taxes.

Total revenues for governmental activities increased by \$9,817,934 when compared to the prior year. General revenue had an increase of \$2,646,114, while program revenues had an increase of \$7,171,820.

#### *Program revenues*

- Charges for services increased \$3,612,921 which was primarily due to an increase in permit and review fees for development.
- Capital Grants and Contributions increased by \$1,436,675 with the major portion being attributed to the donation for Westlake Academy expansion.

#### *General revenues*

- Sales tax increased by \$2,029,066 primarily due to slightly higher rates and increased taxable value.
- Franchise fees increased by \$184,733 primarily due to more receipts from AT&T and Verizon.

#### *Expenses*

- Total expenses for governmental activities increased by \$4,114,147 or approximately 21.6%.
- Westlake Academy expenses reflected 71.8% of the increase which increased \$2,955,453. This increase is primarily due to the increase in the Westlake Academy teachers' pension and OPEB expense.
- The remaining increase in expenses was primarily due to general governmental expense increase of \$1,315,272 which was primarily due to an increase in the Town's pension expense.

**Business-type Activities:** The net position of the business-type activities was a deficit balance of \$1,639,463 as of September 30, 2019, which was a decrease of \$2,246,841. The business-type activities decreased primarily due to issuance of debt through the Texas Water Development Board of \$2,100,000 which was used to pay the City of Fort Worth for its proportionate cost of the water main expansion project that will increase the Town's water consumption capacity.

Revenues (Charges for Services) for business-type activities for the fiscal year ending September 30, 2019 were \$5,404,863; a decrease of \$419,395 or 7.2%. Operating expenses for the business-type activities for the fiscal year ending September 30, 2019 were \$7,554,753; an increase of \$495,053 or 7.0%. This increase was primarily attributed to a higher cost for wastewater treatment and water purchases.

### Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$23,622,873; an increase of \$3,584,480 in comparison with the prior year. Approximately 63.1% of this total (\$14,900,650) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed.

The following tables present a summary of general, special revenue, capital project, and debt service fund revenues and expenditures for the fiscal year ended September 30, 2019, and the amount and percentage of increases and decreases in relation to the prior year.

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

Revenues	2018-19 Amount	Percent of Total	Increase (Decrease) From 2017-18	Percent Increase (Decrease)
Taxes				
Sales taxes	\$ 8,032,671	27.3%	\$ 2,029,066	33.8%
Property taxes	1,956,241	6.6%	329,545	20.3%
Mixed beverage taxes	66,923	0.2%	4,576	7.3%
Hotel occupancy taxes	861,710	2.9%	12,543	1.5%
Franchise taxes	964,239	3.3%	184,733	23.7%
Subtotal - Taxes	<u>11,881,784</u>	<u>40.3%</u>	<u>2,560,463</u>	<u>27.5%</u>
State program	7,415,219	25.2%	197,836	2.7%
Federal program	110,248	0.4%	(4,549)	-4.0%
Interest income	517,128	1.8%	161,052	45.2%
Building permits and fees	5,873,529	19.9%	3,558,596	153.7%
Fines and penalties	616,451	2.1%	(16,867)	-2.7%
Intergovernmental	-	0.0%	-	0.0%
Contributions	1,253,200	4.3%	759,069	153.6%
Miscellaneous	1,804,309	6.2%	69,108	4.0%
<b>Total Revenues</b>	<u>\$ 29,471,868</u>	<u>100.0%</u>	<u>\$ 7,284,708</u>	<u>32.8%</u>

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

Expenditures	2018-19 Amount	Percent Of Total	Increase (Decrease) From 2017-18	Percent Increase (Decrease)
General government	\$ 5,330,174	20.4%	\$ 1,657,241	45.1%
Public safety	3,269,778	12.5%	277,051	9.3%
Culture and recreation	272,146	1.0%	88,330	48.1%
Economic development	306,982	1.2%	(162,870)	-34.7%
Public works	593,830	2.3%	(81,720)	-12.1%
Visitor services	904,689	3.5%	29,367	3.4%
Education	8,996,714	34.5%	(15,634)	-0.2%
Capital outlay	3,525,437	13.5%	(5,882,010)	-62.5%
Debt services	2,894,851	11.0%	156,495	5.7%
<b>Total Expenditures</b>	<b>\$ 26,094,601</b>	<b>100.0%</b>	<b>\$ (3,933,750)</b>	<b>-13.1%</b>

Below are summaries and explanations of the changes in fund balances from fiscal year 2018 to fiscal year 2019 of the Governmental Funds that are contained in the above totals.

General Fund - At the end of the current fiscal year, fund balance for the general fund (which for financial reporting purposes also includes the major maintenance fund and vehicle maintenance/replacement fund) was \$15,238,198, an increase of \$4,441,950 in comparison with the prior year. Of this total, \$14,900,650 is unassigned. This represents 156.8% of the total general fund expenditures including transfers out to other funds related to operations of \$1,677,596. This is equivalent to 565 operating days.

- Revenues and transfers in increased \$5,870,375 from FY18 to FY19; The Planning and Development department realized the biggest increase in revenues of \$3,558,596 primarily coming from building permits, inspection/plan review fees and reforestation for development in the Town. Sales tax also increased from prior year by \$1,672,298 due to more economic activity.
- Expenditures and transfers out increased \$1,287,181 from FY18 to FY19; general government increased \$1,657,241 due to the following: increased payroll, network equipment, trail repairs, office rent due to sliding increased scale for subsequent years, purchase of passenger bus for Westlake Academy and additional engineering fees related to Schwab Phase II. Public safety increased \$277,051 due primarily to the purchase of a new ambulance.

Westlake Academy - Fund balance increased by \$266,492 primarily due to a transfer in from the general fund.

Capital Projects Fund - Fund balance decreased by \$2,371,734 primarily due to facility cost for capital improvements and building.

Westlake Academy Expansion Capital Projects Fund - Fund balance increased by \$1,146,370 due primarily to donations of \$1,000,000 for Westlake Academy improvements and interest income.

Debt Service Fund – The debt service fund remained consistent only slightly increasing by \$15,885 with an ending fund balance of \$44,683. The debt service fund had a transfer in from the general and non-major funds totaling \$2,407,362 which offset the net of debt service payments and property tax revenues (\$2,391,477).

Non Major Funds – The non major fund balance increased by \$85,517 despite transfers to the debt service fund of \$2,008,168.

Proprietary Funds - The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements with greater detail. Total net position of the Proprietary Funds decreased by \$2,246,841. This decrease includes the decrease in the utility fund of \$2,271,447 primarily due to reduced operating revenues and increased operating costs.

### General Fund Budgetary Highlights

The General Fund budget for fiscal year 2019 was amended in total to increase the net change in fund balance from \$701,184 to \$3,464,059, a total increase of \$2,762,875. The amended budget for revenues was increased by \$2,579,782 (20.9%) based on anticipated increases in sales taxes, (\$1,650,000) and permits and fees (\$1,013,606).

The amended budget for expenditures was increased by \$366,907 (3.9%). This increase was primarily due to general anticipated government expenditures increasing \$371,242 primarily for contracted planning and development cost of \$180K and equipment of \$125K.

The General Fund actual revenues were more than the amended budget by \$650,408 primarily due to sales taxes, franchise fees, and permit revenues more than budgeted by \$568,754. Actual expenditures were less than the amended budget by \$291,800 due mostly to less than anticipated service expenditures.

### Capital Assets and Debt Administration

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2019, totaled \$88,324,912 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The net increase in the Town's investment in capital assets for the current fiscal year was \$2,063,726 or 2.3% mostly due to capital outlay additions for the fire station which was completed during the fiscal year and developer contributions from the Solana-Entrada development.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 12,446,059	\$ 12,446,060	\$ -	\$ -	\$ 12,446,059	\$ 12,446,060
Capital improvements	27,747,452	10,499,689	9,009,627	9,372,302	36,757,079	19,871,991
Building	34,937,051	25,035,319			34,937,051	25,035,319
Machinery and equipment	1,781,244	928,922	1,276,845	1,403,605	3,058,089	2,332,527
W/W treatments rights	-		26,365	58,125	26,365	58,125
Construction in progress	771,239	26,188,134	329,030	329,030	1,100,269	26,517,164
<b>Total capital assets</b>	<b>\$ 77,683,045</b>	<b>\$ 75,098,124</b>	<b>\$ 10,641,867</b>	<b>\$ 11,163,062</b>	<b>\$ 88,324,912</b>	<b>\$ 86,261,186</b>

Additional information on the Town's capital assets can be found in Note 4 on pages 55 - 56 of this report.

**Long-term liabilities** - At the end of the current fiscal year, the Town had total long-term debt outstanding of \$42,166,392. Of this amount, \$35,171,000 represents bonded indebtedness with premium outstanding of \$1,406,822, \$165,050 in loans and \$4,800,109 of contractual obligations. During the fiscal year 2018-2019, the Town's total debt payable increased by \$235,419 from payment of bond, capital lease, and note principal of \$1,907,437, amortization of premium of \$100,984, an increase in compensated absence liabilities of \$143,840, and issuance of debt of \$2,100,000.

Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc. has recently increased the Town's rate from AA+/stable to AAA/stable. Additional information about the rating agency or the significance of the rating provided may be obtained from Standard & Poor's web site. Additional information on the Town's long-term debt can be found in Note 5 on pages 58 – 62.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 13,570,000	\$ 14,407,000	\$ -	\$ -	\$ 13,570,000	\$ 14,407,000
Certificates of obligation	18,601,250	19,331,700	2,999,750	927,300	21,601,000	20,259,000
Contractual obligations	-	-	4,800,109	4,913,865	4,800,109	4,913,865
Capital leases	-	162,004	-	-	-	162,004
Premium on bonds	1,379,285	1,479,097	27,537	28,709	1,406,822	1,507,806
Notes payable	165,050	201,727	-	-	165,050	201,727
Compensated absences	531,355	407,160	92,056	72,411	623,411	479,571
<b>Total long-term debt</b>	<b>\$ 34,246,940</b>	<b>\$ 35,988,688</b>	<b>\$ 7,919,452</b>	<b>\$ 5,942,285</b>	<b>\$ 42,166,392</b>	<b>\$ 41,930,973</b>

The Town's net pension liability relative to its participation in Texas Municipal Retirement System (TMRS) increased from \$1,062,281 as of September 30, 2018 to \$1,741,361 as of September 30, 2019. The Town's net other post-employment benefits (OPEB) liability relative to its participation in Texas Municipal Retirement System (TMRS) decreased from \$56,862 as of September 30, 2018 to \$54,484 as of September 30, 2019. The Academy's proportionate share of the Teacher Retirement System (TRS) net pension liability increased from \$895,663 as of August 31, 2018 to \$1,489,525 as of August 31, 2019. The Academy's proportionate share of the Teacher Retirement System (TRS) net OPEB liability increased from \$2,558,314 as of August 31, 2018 to \$2,950,588 as of August 31, 2019.

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

In the FY 2019-2020 adopted budget, the fund balance of the General Fund, which includes the Town's General Fund, General Major Maintenance Fund and the Vehicle Maintenance/Replacement Fund for audit purposes, is anticipated to decrease by \$250K. Adopted revenues and transfers in are budgeted to be less than the 2019 actuals by \$3.4M primarily due to the receipt of a one-time commercial permit received in FY 2018-2019 and the reduction of Franchise Fees due to legislative changes.

Anticipated expenditures and transfers out are budgeted to be \$456K more than the prior year. Payroll increases were approximately \$550K (market adjustments, additional employees and staffing changes, and increased insurance/benefits). This increase is anticipated to be offset by a reduction in maintenance and replacement projects.

As stated in the Transmittal Letter and footnotes, the extent of the operational and financial impact the COVID-19 pandemic may have on the Town has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, the Town is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain.

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

This financial report is designed to provide our citizens, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Debbie Piper, Town of Westlake Finance Director, at 817-490-5712 or email at [dpiper@westlake-tx.org](mailto:dpiper@westlake-tx.org).



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

# Basic Financial Statements



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

Town of Westlake  
Statement of Net Position  
September 30, 2019

Exhibit A-1

	Primary Government			Discretely Presented Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 22,761,907	\$ 5,773,359	\$ 28,535,266	\$ 4,399,619
Receivables (net of allowance)	2,301,956	917,521	3,219,477	99,998
Inventories	-	92,018	92,018	-
Other assets	215,376	50,269	265,645	5,151
Restricted cash and cash equivalents	308,793	332,049	640,842	2,721,396
Capital assets:				
Land and construction in progress	13,217,298	329,030	13,546,328	5,099,597
Buildings and improvements	77,088,916	14,899,416	91,988,332	52,590,312
Wastewater treatment rights	-	635,199	635,199	-
Machinery and equipment	5,879,139	3,560,780	9,439,919	4,690,979
Less accumulated depreciation	(18,502,308)	(8,782,558)	(27,284,866)	(33,621,591)
Total capital assets	77,683,045	10,641,867	88,324,912	28,759,297
Total assets	103,271,077	17,807,083	121,078,160	35,985,461
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - TRS OPEB	267,368	-	267,368	-
Deferred outflows of resources - TMRS OPEB	8,106	996	9,102	-
Deferred outflows of resources - TRS pension	917,823	-	917,823	-
Deferred outflows of resources - TMRS pension	832,964	102,311	935,275	-
Deferred loss on refunding	789,989	-	789,989	-
Total deferred outflows of resources	2,816,250	103,307	2,919,557	-
<b>LIABILITIES</b>				
Accounts payable	1,947,772	1,480,246	3,428,018	513,833
Customer deposit payable	-	239,370	239,370	-
Unearned revenue	3,895	330,978	334,873	521,719
Accrued interest payable	141,065	9,374,572	9,515,637	33,684,302
Noncurrent liabilities:				
Due within one year				
Long-term debt	1,650,027	228,815	1,878,842	-
Compensated absences	53,135	9,206	62,341	-
Due in more than one year				
Long-term debt	32,065,558	7,598,581	39,664,139	50,260,071
Compensated absences	478,220	82,850	561,070	-
TRS net OPEB liability	2,950,588	-	2,950,588	-
TMRS total OPEB liability	48,524	5,960	54,484	-
TRS net pension liability	1,489,525	-	1,489,525	-
TMRS net pension liability	1,550,870	190,491	1,741,361	-
Total liabilities	42,379,179	19,541,069	61,920,248	84,979,925
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - TRS OPEB	933,047	-	933,047	-
Deferred inflows - TRS pension	110,944	-	110,944	-
Deferred inflows - TMRS OPEB	5,204	639	5,843	-
Deferred inflows - TMRS pension	66,310	8,145	74,455	-
Total deferred inflows of resources	1,115,505	8,784	1,124,289	-
<b>NET POSITION</b>				
Net investment in capital assets	48,030,010	4,909,471	52,939,481	(21,500,774)
Restricted for:				
Tourism	736,333	-	736,333	-
Construction	2,798,213	-	2,798,213	-
Court security and technology	237,804	-	237,804	-
Future projects	14,543	-	14,543	-
Unrestricted	10,775,740	(6,548,934)	4,226,806	(27,493,690)
<b>Total net position</b>	<b>\$ 62,592,643</b>	<b>\$ (1,639,463)</b>	<b>\$ 60,953,180</b>	<b>\$ (48,994,464)</b>

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

**Town of Westlake**  
Statement of Activities  
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 6,091,403	\$ 91,845	\$ -	\$ -
Public safety	3,489,071	984,268	-	-
Cultural and recreation	299,815	-	6,200	-
Public works	1,368,049	5,419,039	-	608,923
Economic development	306,982	-	-	140,000
Visitor services	927,670	-	-	-
Education	9,523,906	313,741	9,160,621	1,112,700
Interest on long-term debt	1,131,485	-	-	-
Total governmental activities	23,138,381	6,808,893	9,166,821	1,861,623
Business-type activities:				
Water and sewer	7,544,125	5,374,118	-	-
Cemetery	10,628	30,745	-	54
Total business-type activities	7,554,753	5,404,863	-	54
<b>Total primary government</b>	<b>\$ 30,693,134</b>	<b>\$ 12,213,756</b>	<b>\$ 9,166,821</b>	<b>\$ 1,861,677</b>
<b>Discretely Presented Component Units</b>	<b>\$ 14,288,340</b>	<b>\$ 8,415,862</b>	<b>\$ -</b>	<b>\$ -</b>

**GENERAL REVENUES AND TRANSFERS**

Taxes:  
Sales taxes  
Property taxes  
Hotel occupancy taxes  
Mixed beverage taxes  
Franchise taxes  
Interest Income  
Miscellaneous  
Transfers  
Total general revenues and transfers  
Change in net position  
NET POSITION, beginning of year  
**NET POSITION, end of year**

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Discretely Presented Component Units
Governmental Activities	Business - Type Activities	Total	
\$ (5,999,558)	\$ -	\$ (5,999,558)	\$ -
(2,504,803)	-	(2,504,803)	-
(293,615)	-	(293,615)	-
4,659,913	-	4,659,913	-
(166,982)	-	(166,982)	-
(927,670)	-	(927,670)	-
1,063,156	-	1,063,156	-
(1,131,485)	-	(1,131,485)	-
<u>(5,301,044)</u>	<u>-</u>	<u>(5,301,044)</u>	<u>-</u>
-	(2,170,007)	(2,170,007)	-
-	20,171	20,171	-
<u>-</u>	<u>(2,149,836)</u>	<u>(2,149,836)</u>	<u>-</u>
<u>\$ (5,301,044)</u>	<u>\$ (2,149,836)</u>	<u>\$ (7,450,880)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,872,478)</u>
8,032,671	-	8,032,671	-
1,956,630	-	1,956,630	-
861,710	-	861,710	-
66,923	-	66,923	-
964,239	-	964,239	-
517,128	110,208	627,336	145,594
142,230	-	142,230	-
207,213	(207,213)	-	-
<u>12,748,744</u>	<u>(97,005)</u>	<u>12,651,739</u>	<u>145,594</u>
7,447,700	(2,246,841)	5,200,859	(5,726,884)
55,144,943	607,378	55,752,321	(43,267,580)
<u>\$ 62,592,643</u>	<u>\$ (1,639,463)</u>	<u>\$60,953,180</u>	<u>\$ (48,994,464)</u>

**Town of Westlake**  
 Balance Sheet  
 Governmental Funds  
 September 30, 2019

	General	Westlake Academy	Debt Service Fund
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Cash and cash equivalents	\$ 14,148,330	\$ 1,848,337	\$ 44,782
Receivables :			
Property taxes	7,072	-	1,246
Accounts receivable	1,287,424	583,975	-
Due from other funds	308,116	-	-
Prepaid items	19,302	64,027	-
Restricted cash and cash equivalents	-	-	-
Total assets	<u>15,770,244</u>	<u>2,496,339</u>	<u>46,028</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 15,770,244</u></u>	<u><u>\$ 2,496,339</u></u>	<u><u>\$ 46,028</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 416,375	\$ 1,103,477	\$ 98
Unearned revenue	-	-	-
Due to other funds	108,598	-	-
Total liabilities	<u>524,973</u>	<u>1,103,477</u>	<u>98</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable contributions	-	5,172	-
Unavailable resources - property taxes	7,073	-	1,247
Total deferred inflows of resources	<u>7,073</u>	<u>5,172</u>	<u>1,247</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid items	19,302	64,027	-
Restricted for:			
Tourism	-	-	-
Capital items	-	-	-
Court security and technology	237,804	-	-
Debt service	-	-	44,683
Future projects	-	-	-
Education	-	1,323,663	-
Committed for:			
Street and tree improvements	80,442	-	-
Unassigned	14,900,650	-	-
Total fund balances	<u>15,238,198</u>	<u>1,387,690</u>	<u>44,683</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 15,770,244</u></u>	<u><u>\$ 2,496,339</u></u>	<u><u>\$ 46,028</u></u>

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

Capital Projects	Westlake Academy Expansion Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,194,414	\$ 2,798,213	\$ 727,831	\$ 22,761,907
-	-	-	8,318
-	-	422,239	2,293,638
-	-	108,598	416,714
-	-	132,047	215,376
-	-	308,793	308,793
<u>3,194,414</u>	<u>2,798,213</u>	<u>1,699,508</u>	<u>26,004,746</u>
<u>\$ 3,194,414</u>	<u>\$ 2,798,213</u>	<u>\$ 1,699,508</u>	<u>26,004,746</u>
\$ 3,631	\$ -	\$ 424,191	\$ 1,947,772
-	-	3,895	3,895
-	-	308,116	416,714
<u>3,631</u>	<u>-</u>	<u>736,202</u>	<u>2,368,381</u>
-	-	-	5,172
-	-	-	8,320
-	-	-	13,492
-	-	132,047	215,376
-	-	734,938	734,938
3,190,783	2,798,213	81,778	6,070,774
-	-	-	237,804
-	-	-	44,683
-	-	14,543	14,543
-	-	-	1,323,663
-	-	-	80,442
-	-	-	14,900,650
<u>3,190,783</u>	<u>2,798,213</u>	<u>963,306</u>	<u>23,622,873</u>
<u>\$ 3,194,414</u>	<u>\$ 2,798,213</u>	<u>\$ 1,699,508</u>	<u>\$ 26,004,746</u>

**Town of Westlake****Exhibit A-4**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2019

Total fund balance-governmental funds balance sheet	\$ 23,622,873
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	77,683,045
Deferred losses on refunding are reported as deferred outflows of resources in the government-wide statement of net position.	789,989
Revenues earned but not available within sixty days of the fiscal year-end are not recognized as revenue in the fund financial statements.	13,492
Deferred outflows of resources related to the Town's TMRS pension liability and OPEB liability increased net position by \$832,964 and \$8,106, respectively; while the Town's TMRS deferred resource inflows related to the pension liability and OPEB liability decreased net position by \$66,310 and \$5,204. This amount is the net effect.	769,556
Deferred outflows of resources related to the Academy's TRS pension liability and OPEB liability increased net position by \$917,823 and \$267,368, respectively; while the Academy's TRS deferred resource inflows related to the pension liability and OPEB liability decreased net position by \$110,944 and \$933,047, respectively. This amount is the net effect.	141,200
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(141,065)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the fund financial statements.	<u>(40,286,447)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES - statement of net position</b>	<b><u><u>\$ 62,592,643</u></u></b>

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



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

## Town of Westlake

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

#### Governmental Funds

For the Year Ended September 30, 2019

	General	Westlake Academy	Debt Service Fund
<b>REVENUES</b>			
Taxes			
Sales	\$ 5,752,561	\$ -	\$ -
Property	1,655,548	-	300,693
Mixed beverage	66,923	-	-
Hotel occupancy	-	-	-
Franchise	964,239	-	-
State program revenues	-	7,415,219	-
Federal program revenues	-	110,248	-
Interest income	366,779	22,558	-
Building permits and fees	5,873,529	-	-
Fines and penalties	616,451	-	-
Contributions	112,700	-	-
Miscellaneous	139,310	1,656,379	-
Total revenues	<u>15,548,040</u>	<u>9,204,404</u>	<u>300,693</u>
<b>EXPENDITURES</b>			
Current			
General government	5,330,174	-	-
Public safety	3,269,778	-	-
Cultural and recreation	272,146	-	-
Public works	593,830	-	-
Economic development	-	-	-
Visitor services	-	-	-
Education	-	8,996,714	-
Capital outlay	-	-	-
Debt service			
Principal retirement	36,677	162,004	1,567,450
Interest and other fiscal charges	-	4,000	1,124,720
Total expenditures	<u>9,502,605</u>	<u>9,162,718</u>	<u>2,692,170</u>
Excess (deficiency) of revenues			
Over (Under) Expenditures	<u>6,045,435</u>	<u>41,686</u>	<u>(2,391,477)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	74,111	224,806	2,407,362
Transfers out	(1,677,596)	-	-
Net other financing sources (uses)	<u>(1,603,485)</u>	<u>224,806</u>	<u>2,407,362</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,441,950	266,492	15,885
<b>FUND BALANCES, AT BEGINNING OF YEAR</b>	<u>10,796,248</u>	<u>1,121,198</u>	<u>28,798</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 15,238,198</u>	<u>\$ 1,387,690</u>	<u>\$ 44,683</u>

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

Capital Projects	Westlake Academy Expansion Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,280,110	\$ 8,032,671
-	-	-	1,956,241
-	-	-	66,923
-	-	861,710	861,710
-	-	-	964,239
-	-	-	7,415,219
-	-	-	110,248
56,036	47,991	23,764	517,128
-	-	-	5,873,529
-	-	-	616,451
-	1,000,000	140,500	1,253,200
-	-	8,620	1,804,309
<u>56,036</u>	<u>1,047,991</u>	<u>3,314,704</u>	<u>29,471,868</u>
-	-	-	5,330,174
-	-	-	3,269,778
-	-	-	272,146
-	-	-	593,830
-	-	306,982	306,982
-	-	904,689	904,689
-	-	-	8,996,714
3,483,816	41,621	-	3,525,437
-	-	-	1,766,131
-	-	-	1,128,720
<u>3,483,816</u>	<u>41,621</u>	<u>1,211,671</u>	<u>26,094,601</u>
<u>(3,427,780)</u>	<u>1,006,370</u>	<u>2,103,033</u>	<u>3,377,267</u>
1,056,046	140,000	-	3,902,325
-	-	(2,017,516)	(3,695,112)
<u>1,056,046</u>	<u>140,000</u>	<u>(2,017,516)</u>	<u>207,213</u>
<u>(2,371,734)</u>	<u>1,146,370</u>	<u>85,517</u>	<u>3,584,480</u>
<u>5,562,517</u>	<u>1,651,843</u>	<u>877,789</u>	<u>20,038,393</u>
<u>\$ 3,190,783</u>	<u>\$ 2,798,213</u>	<u>\$ 963,306</u>	<u>\$ 23,622,873</u>

Town of Westlake

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2019

Net change in fund balances- total governmental funds.	\$	3,584,480
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		3,847,255
Developers contributions that are not reported at the fund level but reported as revenue for the governmental activities.		608,923
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(1,871,257)
The repayment of the principal of long term debt consumes the current financial resources of governmental funds, but has no effect on net position. The amortization of bond premiums and deferred gain/loss on refunding of long term debt is reported in the statement of activities but does not require the use of current financial resources. Therefore, the effect of the amortization of these various items are not reported in the statement of revenues, expenditures, and changes in fund balance. This amount represents the net effect of the following items:		
Repayments	1,766,131	
Amortization of deferred loss on refunding	(108,507)	
Amortization of premium on bonds	99,812	1,757,436
Current year changes in accrued interest payable does not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		5,930
Implementation of GASB 68 and 75 requires certain expenditures to be de-expended and recorded as deferred outflows of resources. The changes in deferred outflows from pension and OPEB activity for TMRS increased net position by \$264,170 and by \$65, respectively. The change in net pension liability decreased net position by \$604,794. The change in OPEB liability increased net position by \$2,118. The change in deferred inflows of resources from pension and OPEB activity for TMRS increased net position by \$170,267 and decreased net position by \$5,204, respectively. This amount is the net effect.		(173,378)
Implementation of GASB 68 and 75 requires certain expenditures to be de-expended and recorded as deferred outflows of resources. The changes in deferred outflows from pension and OPEB activity for TRS increased net position by \$408,314 and \$220,765, respectively. The change in net pension liability decreased net position by \$593,862. The change in OPEB liability decreased net position by \$392,274. The changes in deferred inflows of resources from pension and OPEB activity for TRS increased net position by \$26,901 and by \$137,101, respectively. This amount is the net effect.		(193,055)
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		(124,195)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		5,561
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES - statement of activities</b>	<b>\$</b>	<b>7,447,700</b>

Town of Westlake  
Statement of Net Position  
Proprietary Funds  
September 30, 2019

Exhibit A-7

	Utility Fund	Cemetery Fund	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 5,654,588	\$ 118,771	\$ 5,773,359
Accounts receivable	917,521	-	917,521
Inventories	-	92,018	92,018
Prepaid expenses	50,269	-	50,269
Restricted cash and investments	282,049	50,000	332,049
Total current assets	6,904,427	260,789	7,165,216
Noncurrent assets			
Capital assets			
Construction in progress	329,030	-	329,030
Buildings and improvements	14,899,416	-	14,899,416
Wastewater treatment rights	635,199	-	635,199
Machinery and equipment	3,560,780	-	3,560,780
Less: accumulated depreciation	(8,782,558)	-	(8,782,558)
Total capital assets	10,641,867	-	10,641,867
Total noncurrent assets	10,641,867	-	10,641,867
<b>TOTAL ASSETS</b>	<b>17,546,294</b>	<b>260,789</b>	<b>17,807,083</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - TMRS OPEB	996	-	996
Deferred outflows - TMRS pension	102,311	-	102,311
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>103,307</b>	<b>-</b>	<b>103,307</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	1,479,625	621	1,480,246
Customer deposits payable	239,370	-	239,370
Accrued interest payable	9,374,572	-	9,374,572
Unearned revenue	330,978	-	330,978
Compensated absences - current portion	9,206	-	9,206
Current portion of bonds payable	108,650	-	108,650
Contractual obligations	120,165	-	120,165
Total current liabilities	11,662,566	621	11,663,187
Long-term liabilities:			
Bonds payable	2,891,100	-	2,891,100
Compensated absences	82,850	-	82,850
Contractual obligations	4,707,481	-	4,707,481
Total OPEB liability	5,960	-	5,960
Net pension liability	190,491	-	190,491
Total long-term liabilities	7,877,882	-	7,877,882
<b>TOTAL LIABILITIES</b>	<b>19,540,448</b>	<b>621</b>	<b>19,541,069</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - TMRS OPEB	639	-	639
Deferred inflows - TMRS pension	8,145	-	8,145
Total deferred inflows of resources	8,784	-	8,784
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	4,909,471	-	4,909,471
Unrestricted	(6,809,102)	260,168	(6,548,934)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (1,899,631)</b>	<b>\$ 260,168</b>	<b>\$ (1,639,463)</b>

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

**Town of Westlake**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended September 30, 2019

**Exhibit A-8**

	<u>Utility Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,131,440	\$ 30,745	\$ 5,162,185
Miscellaneous revenue	242,678	54	242,732
Total operating revenues	<u>5,374,118</u>	<u>30,799</u>	<u>5,404,917</u>
<b>OPERATING EXPENSES</b>			
Payroll costs	491,637	-	491,637
Professional and contract services	1,209,867	4,796	1,214,663
Depreciation	489,435	-	489,435
Amortization of wastewater treatment rights	31,760	-	31,760
Water purchases	1,321,637	-	1,321,637
Cost of cemetery lots sold	-	1,590	1,590
Other operating costs	2,924,783	4,242	2,929,025
Total operating expenses	<u>6,469,119</u>	<u>10,628</u>	<u>6,479,747</u>
Net operating income (loss)	<u>(1,095,001)</u>	<u>20,171</u>	<u>(1,074,830)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	105,773	4,435	110,208
Interest expense	(1,075,006)	-	(1,075,006)
Total non-operating revenues (expenses)	<u>(969,233)</u>	<u>4,435</u>	<u>(964,798)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>			
Transfer out	(207,213)	-	(207,213)
Total transfers and capital contributions	<u>(207,213)</u>	<u>-</u>	<u>(207,213)</u>
Change in net position	(2,271,447)	24,606	(2,246,841)
Total net position, beginning of year	<u>371,816</u>	<u>235,562</u>	<u>607,378</u>
<b>Total net position, end of year</b>	<u><u>\$ (1,899,631)</u></u>	<u><u>\$ 260,168</u></u>	<u><u>\$ (1,639,463)</u></u>

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

**Town of Westlake**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2019

**Exhibit A-9**

	<u>Utility Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 5,142,122	\$ 30,799	\$ 5,172,921
Payments to employees	(453,030)	-	(453,030)
Payments to suppliers	(4,408,995)	(9,085)	(4,418,080)
Net cash provided by operating activities	<u>280,097</u>	<u>21,714</u>	<u>301,811</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer to other funds	(207,213)	-	(207,213)
Net cash used in noncapital financing activities	<u>(207,213)</u>	<u>-</u>	<u>(207,213)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on debt	(141,306)	-	(141,306)
Interest paid on debt	(216,686)	-	(216,686)
Proceeds from debt issuance	2,100,000	-	2,100,000
Net cash provided by capital and related financing activities	<u>1,742,008</u>	<u>-</u>	<u>1,742,008</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	105,773	4,435	110,208
Net cash provided by investing activities	<u>105,773</u>	<u>4,435</u>	<u>110,208</u>
Net increase in cash	1,920,665	26,149	1,946,814
Cash and cash equivalents at the beginning of the year	<u>4,015,972</u>	<u>142,622</u>	<u>4,158,594</u>
Cash and cash equivalents at the end of the year	<u>\$ 5,936,637</u>	<u>\$ 168,771</u>	<u>\$ 6,105,408</u>
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents	\$ 5,654,588	\$ 118,771	\$ 5,773,359
Restricted cash and cash equivalents	282,049	50,000	332,049
Total cash and cash equivalents	<u>\$ 5,936,637</u>	<u>\$ 168,771</u>	<u>\$ 6,105,408</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (1,095,001)	\$ 20,171	\$ (1,074,830)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	521,195	-	521,195
Pension expense	18,591	-	18,591
OPEB expense	371	-	371
Changes in operating assets and liabilities:			
Receivables	(216,852)	-	(216,852)
Inventory	-	1,590	1,590
Compensated absences	19,645	-	19,645
Accounts payable	1,097,561	(47)	1,097,514
Customer deposits payable	22,940	-	22,940
Unearned revenue	(38,084)	-	(38,084)
<b>Net cash provided by operating activities</b>	<u>\$ 280,097</u>	<u>\$ 21,714</u>	<u>\$ 301,811</u>

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

**Town of Westlake**  
 Statement of Fiduciary Net Position  
 Agency Fund  
 September 30, 2019

	<u>PID Agency Fund</u>
<b>ASSETS</b>	
Restricted cash and cash equivalents	\$ 2,160,298
<b>Total Assets</b>	<u>\$ 2,160,298</u>
<b>LIABILITIES</b>	
Liability to bond holders	\$ 2,160,298
<b>Total Liabilities</b>	<u>\$ 2,160,298</u>

**Town of Westlake**  
Discretely Presented Component Units  
Combining Statement of Net Position  
September 30, 2019

**Exhibit A-11**

	<b>Texas Student Housing Corporation Denton Project</b>	<b>Texas Student Housing Corporation College Station Project</b>	<b>Texas Student Housing Authority</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 481,578	\$ 576,094	\$ 3,341,947	\$ 4,399,619
Accounts receivable (net of allowance)	26,369	72,933	696	99,998
Prepaid rent	-	5,151	-	5,151
Restricted assets:				
Cash and cash equivalents	2,164,426	556,970	-	2,721,396
Capital assets:				
Land	2,200,000	2,899,597	-	5,099,597
Buildings and improvements	25,705,000	26,885,312	-	52,590,312
Machinery and equipment	1,253,841	3,437,138	-	4,690,979
Less: accumulated depreciation	(17,003,572)	(16,618,019)	-	(33,621,591)
<b>Total assets</b>	<b>14,827,642</b>	<b>17,815,176</b>	<b>3,342,643</b>	<b>35,985,461</b>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	187,175	322,270	4,388	513,833
Unearned revenue	172,218	349,501	-	521,719
Accrued interest payable	9,508,828	24,175,474	-	33,684,302
Bonds payable	22,055,071	28,205,000	-	50,260,071
<b>Total liabilities</b>	<b>31,923,292</b>	<b>53,052,245</b>	<b>4,388</b>	<b>84,979,925</b>
<b>NET POSITION</b>				
Net investment in capital assets	(9,899,802)	(11,600,972)	-	(21,500,774)
Unrestricted	(7,195,848)	(23,636,097)	3,338,255	(27,493,690)
<b>Total net position</b>	<b>\$(17,095,650)</b>	<b>\$(35,237,069)</b>	<b>\$ 3,338,255</b>	<b>\$(48,994,464)</b>

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

**Town of Westlake**  
 Discretely Presented Component Units  
 Combining Statement of Activities  
 For the Fiscal Year Ended September 30, 2019

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-type activities:				
Texas Student Housing Authority	\$ 230,726	\$ 428,412	\$ -	\$ -
Texas Student Housing Corporation				
College Station Project	8,201,973	2,623,705	-	-
Denton Project	5,855,641	5,363,745	-	-
Total business-type activities	14,288,340	8,415,862	-	-
<b>Total component units</b>	<b>\$ 14,288,340</b>	<b>\$ 8,415,862</b>	<b>\$ -</b>	<b>\$ -</b>

**GENERAL REVENUES**

Interest income

Total general revenues

Change in net position

NET POSITION, beginning of year

**NET POSITION, end of year**

Net (Expense) Revenues and Changes in Net Positions

Texas Student Housing Corporation Denton Project	Texas Student Housing Corporation College Station Project	Texas Student Housing Authority	Total
\$ -	\$ -	\$ 197,686	\$ 197,686
-	(5,578,268)	-	(5,578,268)
(491,896)	-	-	(491,896)
(491,896)	(5,578,268)	197,686	(5,872,478)
<u>\$ (491,896)</u>	<u>\$ (5,578,268)</u>	<u>\$ 197,686</u>	<u>\$ (5,872,478)</u>
58,739	-	86,855	145,594
58,739	-	86,855	145,594
(433,157)	(5,578,268)	284,541	(5,726,884)
(16,662,493)	(29,658,801)	3,053,714	(43,267,580)
<u>\$ (17,095,650)</u>	<u>\$ (35,237,069)</u>	<u>\$ 3,338,255</u>	<u>\$ (48,994,464)</u>



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

## Town of Westlake

### Notes to the Financial Statements

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

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

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

#### Financial Reporting Entity

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

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

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

#### Component Units

##### Discretely Presented

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

Texas Student Housing Authority  
99 Trophy Club Drive  
Trophy Club, Texas 76262

## Town of Westlake

### Notes to the Financial Statements

#### Blended

*Lone Star Public Facilities Corporation* is a Texas nonprofit corporation that acts on behalf of the Town to further the public purposes under the Public Facilities Corporation Act, as 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. Since the board of directors is substantively the same as the Town's governing body, and a financial benefit relationship exists, the entity has been reported as a blended component unit of the Town.

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

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

#### **Basis of Presentation**

##### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Town. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

## Town of Westlake

### Notes to the Financial Statements

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

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

The Town reports the following major governmental funds:

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

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

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

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

## Town of Westlake

### Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

The Town reports the following major proprietary funds:

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

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

The Town reports the following fiduciary fund:

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

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

## Town of Westlake

### Notes to the Financial Statements

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

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

##### Cash and Cash Equivalents

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

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

State statutes authorize the Town to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of, and interest on, which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; (5) certificates of deposit by state or national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (b) secured by obligations that are described by (1) - (4); or (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1) pledged with third-party selected or (2) approved by the Town, and placed through a primary government securities dealer. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

##### Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

All property tax receivables are shown net of an allowance for uncollectibles. The net property tax receivable allowance is equal to management's estimate of uncollectible outstanding property taxes at September 30, 2019.

# Town of Westlake

## Notes to the Financial Statements

### Restricted Assets

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

### Inventories and Prepaid Items

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

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

### Fund Changes and Transactions between Funds

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

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

### Capital Assets

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

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

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

## Town of Westlake

### Notes to the Financial Statements

#### Compensated Absences

The Town's policy allows employees to earn 5 days of vacation and 5 days of sick leave between six months and one year of service, and 10 days of vacation and 10 days of sick leave between one year and two years of service and each successive year through 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. The Town makes sick and vacation time available in full at the beginning of each year, and hours are actually earned throughout the year. Unused, earned vacation hours are paid upon termination or retirement at the employee's normal hourly rate; accumulated, unused sick time is only payable upon retirement, death of the employee, or other circumstances when authorized by the Town Manager.

#### Long-Term Obligations

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

#### Fund Equity and Net Position

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

The classifications used in the governmental fund financial statements are as follows:

**Nonspendable**: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

**Restricted**: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed**: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the Town council, the Town's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Town council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned**: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. In the General Fund, assigned amounts represent intended uses established by the Town Council or the Town Finance Director who has been delegated that authority.

## Town of Westlake

### Notes to the Financial Statements

**Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

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

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

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

For TMRS, information regarding the Town's Total Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

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

#### Deferred Outflows and Inflows of Resources

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

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

## Town of Westlake

### Notes to the Financial Statements

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

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

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

### Estimates

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

### Note 2. Cash and Investments

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

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

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

## Town of Westlake

### Notes to the Financial Statements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Obligations of the U.S. Government, its agencies and instrumentalities	2 years	None	None
Certificates of deposit	1 year	None	None
Mutual funds	2 years	80%	None
Investment pools	-	None	None

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

At year end, the carrying amount of the Town's deposits was \$29,067,110 and the bank balance was \$29,708,571. The bank balance was completely covered by federal deposit insurance and collateral held by the pledging financial institution in the Town's name.

At year end, the carrying amount of the component units' deposits was \$7,121,015 and the bank balance was \$7,158,267. The bank balance was completely covered by federal deposit insurance and collateral held by the pledging financial institution in the component units' names. The carrying amount consists of \$4,399,619 in cash and cash equivalents and \$2,721,396 in restricted cash and cash equivalents.

At September 30, 2019, the Town's cash and cash equivalents consist of and are classified in the accompanying financial statements are follows:

Primary government:	
Cash and cash equivalents	\$ 28,535,266
Restricted cash and investments	640,842
<b>Total primary government</b>	<b>29,176,108</b>
Fiduciary funds:	
Restricted cash and cash equivalents	2,160,298
<b>Total cash and investments</b>	<b>\$ 31,336,406</b>
Deposits with financial institutions	\$ 29,067,110
Investments	2,269,296
<b>Total cash and investments</b>	<b>\$ 31,336,406</b>

## Town of Westlake

### Notes to the Financial Statements

#### Disclosures Relating to Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In order to limit interest and market rate risk from changes in interest rates, the Town's investment policy sets a maximum stated maturity limit of two years for obligations of the United States Government, its agencies and instrumentalities (excluding mortgage backed securities) and one year for fully insured or collateralized certificates of deposit. No more than 80% of the Town's monthly average balance may be invested in money market funds. Additionally, the Town invests in an investment pool that purchases a combination of shorter term investments with an average maturity of 32 days thus reducing the interest rate risk. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's Investments.

As of September 30, 2019, the Town's investments were as follows:

Investment Type	Carrying Amount	Fair Value	Weighted Average Maturity (days)
TexPool	\$ 205	\$ 205	32 days
Mutual funds	2,269,091	2,269,091	N/A
<b>Total</b>	<b>\$ 2,269,296</b>	<b>\$ 2,269,296</b>	

#### Disclosures Relating to Credit Risk

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

Primary government	Carrying Amount	Fair Value	Minimum Legal Rating	Rating as of Year-end
Investments:				
TexPool	\$ 205	\$ 205	N/A	AAA-m
Mutual funds	2,269,091	2,269,091	N/A	A-1
<b>Total</b>	<b>\$ 2,269,296</b>	<b>\$ 2,269,296</b>		

#### Disclosures Relating to Concentration of Credit Risk

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

## Town of Westlake

### Notes to the Financial Statements

#### Disclosures Relating to Custodial Credit Risk

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

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

As of September 30, 2019, the Town's entire cash deposits with financial institutions in excess of federal depository insurance were fully collateralized.

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

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

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

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

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

## Town of Westlake

### Notes to the Financial Statements

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

	Value at September 30, 2019	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments not Subject to Fair Value:						
Investment Pools:						
TexPool	\$ 205	\$ -	\$ -	\$ -	0.01%	32
Investments by Fair Value Level:						
Mutual Funds	2,269,091	2,269,091	-	-	99.99%	N/A
<b>Total Value</b>	<b>\$ 2,269,296</b>	<b>\$ 2,269,091</b>	<b>\$ -</b>	<b>\$ -</b>		

Mutual funds reported as Level 1 consist of shares of a money market funds government portfolio and are valued at net asset value (NAV) of the assets held by the Town. The NAV is a quoted price in an active market.

### Investment in State Investment Pools

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

During the year ended September 30, 2019, the Town had investments with TexPool. TexPool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, which is empowered to invest funds and acts as custodian of investments purchased with local investment funds. These investments are not required to be categorized because the investor is not issued securities, but rather it owns an undivided beneficial interest in the assets of the respective funds. The fair value of the position in TexPool is the same as the value of the pool shares.

### Restricted Cash

#### Proprietary Fund

Within the proprietary funds, \$239,370 of restricted cash represents customer deposits received for water and sewer usage that are refundable upon termination of service, and \$50,000 of restricted cash represents a contribution restricted for cemetery improvements.

#### Discretely Presented Component Units

Within the discretely presented component units, the \$2,721,396 in restricted cash and cash equivalents represents funds held for debt service.

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

**Note 3. Receivables**

Governmental activities receivable balance consists of the following as of September 30, 2019:

	Governmental Funds				Total Governmental Funds
	General	Westlake Academy	Debt Service Fund	Nonmajor Fund	
Receivables:					
Sales tax	\$ 879,189	\$ -	\$ -	\$ 353,016	\$ 1,232,205
Property tax	9,430	-	1,662	-	11,092
Other taxes	18,009	-	-	69,223	87,232
Franchise tax	252,132	-	-	-	252,132
Other	144,031	583,975	-	-	728,006
Gross receivables	1,302,791	583,975	1,662	422,239	2,310,667
Less: allowance for uncollectibles	(8,295)	-	(416)	-	(8,711)
<b>Net total receivables</b>	<b>\$ 1,294,496</b>	<b>\$ 583,975</b>	<b>\$ 1,246</b>	<b>\$ 422,239</b>	<b>\$ 2,301,956</b>

Business-type receivables balance consists of the following as of September 30, 2019:

	Business-Type Activities		
	Utility Fund	Cemetery Fund	Total
Receivables:			
Accounts	\$ 913,221	\$ -	\$ 913,221
Other	4,300	-	4,300
Gross receivables	917,521	-	917,521
Less: allowance for uncollectibles	-	-	-
<b>Net total receivables</b>	<b>\$ 917,521</b>	<b>\$ -</b>	<b>\$ 917,521</b>

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

**Note 4. Capital Assets**

Capital asset activity for the year ended September 30, 2019, was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 12,446,059	\$ -	\$ -	\$ -	\$ 12,446,059
Construction in progress	26,188,135	3,504,745	-	(28,921,641)	771,239
Total assets not being depreciated	<u>38,634,194</u>	<u>3,504,745</u>	<u>-</u>	<u>(28,921,641)</u>	<u>13,217,298</u>
Capital assets, being depreciated:					
Capital improvements	16,179,027	11,130	-	17,924,035	34,114,192
Buildings	32,262,586	-	-	10,712,138	42,974,724
Machinery and equipment	4,470,512	721,951	(144,981)	-	5,047,482
Information systems and software	<u>327,837</u>	<u>218,352</u>	<u>-</u>	<u>285,468</u>	<u>831,657</u>
Total capital assets being depreciated	<u>53,239,962</u>	<u>951,433</u>	<u>(144,981)</u>	<u>28,921,641</u>	<u>82,968,055</u>
Less accumulated depreciation:					
Capital improvements	(5,679,338)	(687,402)	-	-	(6,366,740)
Buildings	(7,227,267)	(810,406)	-	-	(8,037,673)
Machinery and equipments	(3,611,849)	(315,551)	144,981	-	(3,782,419)
Information systems and software	<u>(257,578)</u>	<u>(57,898)</u>	<u>-</u>	<u>-</u>	<u>(315,476)</u>
Total accumulated depreciation	<u>(16,776,032)</u>	<u>(1,871,257)</u>	<u>144,981</u>	<u>-</u>	<u>(18,502,308)</u>
Total capital assets being depreciated	<u>36,463,930</u>	<u>(919,824)</u>	<u>-</u>	<u>28,921,641</u>	<u>64,465,747</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 75,098,124</u>	<u>\$ 2,584,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,683,045</u>

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 329,030	\$ -	\$ -	\$ -	\$ 329,030
Total assets not being depreciated	329,030	-	-	-	329,030
Capital assets, being depreciated:					
Capital improvements	14,899,416	-	-	-	14,899,416
Wastewater treatment rights	635,199	-	-	-	635,199
Machinery and equipment	3,560,780	-	-	-	3,560,780
Total capital assets being depreciated	19,095,395	-	-	-	19,095,395
Less accumulated depreciation:					
Capital improvements	(5,527,114)	(362,675)	-	-	(5,889,789)
Wastewater treatment rights	(577,074)	(31,760)	-	-	(608,834)
Machinery and equipment	(2,157,175)	(126,760)	-	-	(2,283,935)
Total accumulated depreciation	(8,261,363)	(521,195)	-	-	(8,782,558)
Total capital assets being depreciated	10,834,032	(521,195)	-	-	10,312,837
<b>Business-type activities capital assets, net</b>	<b>\$ 11,163,062</b>	<b>\$ (521,195)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,641,867</b>

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

Governmental activities:	
General government	\$ 908,421
Public safety	366,082
Public works	596,754
Total depreciation expense - governmental activities	<u>\$ 1,871,257</u>
Business-type activities:	
<b>Water and sewer</b>	<u>\$ 521,195</u>

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

A summary of discretely presented component units' capital assets at August 31, 2019 follows:

**Texas Student Housing Corporation – Denton Project**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000
Total assets not being depreciated	2,200,000	-	-	2,200,000
Capital assets, being depreciated:				
Buildings	25,705,000	-	-	25,705,000
Furniture and fixtures	1,253,841	-	-	1,253,841
Total capital assets being depreciated	26,958,841	-	-	26,958,841
Less accumulated depreciation:				
Buildings	(14,923,179)	(856,833)	-	(15,780,012)
Furniture and fixtures	(1,215,110)	(8,450)	-	(1,223,560)
Total accumulated depreciation	(16,138,289)	(865,283)	-	(17,003,572)
Total capital assets being depreciated	10,820,552	(865,283)	-	9,955,269
<b>Capital assets, net</b>	<b>\$ 13,020,552</b>	<b>\$ (865,283)</b>	<b>\$ -</b>	<b>\$ 12,155,269</b>

**Texas Student Housing Corporation – College Station Project**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,899,597	\$ -	\$ -	\$ 2,899,597
Total assets not being depreciated	2,899,597	-	-	2,899,597
Capital assets, being depreciated:				
Buildings	26,885,312	-	-	26,885,312
Furniture and fixtures	3,437,138	-	-	3,437,138
Total capital assets being depreciated	30,322,450	-	-	30,322,450
Less accumulated depreciation:				
Buildings	(12,437,883)	(896,177)	-	(13,334,060)
Furniture and fixtures	(3,199,188)	(84,771)	-	(3,283,959)
Total accumulated depreciation	(15,637,071)	(980,948)	-	(16,618,019)
Total capital assets being depreciated	14,685,379	(980,948)	-	13,704,431
<b>Capital assets, net</b>	<b>\$ 17,584,976</b>	<b>\$ (980,948)</b>	<b>\$ -</b>	<b>\$ 16,604,028</b>

## Town of Westlake

### Notes to the Financial Statements

#### Note 5. Long-Term Debt

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

A summary of long-term debt transactions for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
<b>Governmental activities:</b>					
General obligation bonds					
other obligations	\$33,738,700	\$ -	\$ (1,567,450)	\$ 32,171,250	\$1,613,350
Unamortized bond premium	1,479,097	-	(99,812)	1,379,285	-
Notes payable	201,727	-	(36,677)	165,050	36,677
Capital leases	162,004	-	(162,004)	-	-
Compensated absences	407,160	236,692	(112,497)	531,355	53,135
Total OPEB liability - TMRS	50,642	-	(2,118)	48,524	
Net OPEB liability - TRS	2,558,314	392,274	-	2,950,588	
Net pension liability - TMRS	946,076	604,794	-	1,550,870	-
Net pension liability - TRS	895,663	593,862	-	1,489,525	-
<b>Total governmental activities</b>	<b>\$40,439,383</b>	<b>\$ 1,827,622</b>	<b>\$ (1,980,558)</b>	<b>\$ 40,286,447</b>	<b>\$1,703,162</b>
<b>Business-type activities:</b>					
Certificates of obligation	\$ 927,300	\$ 2,100,000	\$ (27,550)	\$ 2,999,750	\$ 108,650
Contractual obligations	4,913,865	-	(113,756)	4,800,109	120,165
Unamortized bond premium	28,709	-	(1,172)	27,537	-
Compensated absences	72,411	34,012	(14,367)	92,056	9,206
Total OPEB liability - TMRS	6,220	-	(260)	5,960	-
Net pension liability - TMRS	116,205	74,286	-	190,491	-
<b>Total business-type activities</b>	<b>\$ 6,064,710</b>	<b>\$ 2,208,298</b>	<b>\$ (157,105)</b>	<b>\$ 8,115,903</b>	<b>\$ 238,021</b>

The Town's accrued interest for general obligation bonds reported in governmental activities was \$141,065 and certificate of obligation s reported in business-type activities for \$33,036.

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

**General Obligation Bonds and Certificates of Obligation**

General obligation bonds and certificates of obligation are as follows as of September 30, 2019:

General Obligations Bonds, Tax Notes, and Certificates of Obligation	Final Maturity	Interest Rates	Governmental	Business- Type
\$2,095,000 Combination Tax and Revenue Certificates of Obligation, Series 2011	2031	3.25%	\$ 1,390,000	\$ -
\$7,375,000 General Obligation Refunding Bonds, Series 2011	2028	2.0-4.0%	4,945,000	-
\$9,320,000 Certificates of Obligation, Series 2013	2043	2.0-4.0%	7,320,250	904,750
\$2,200,000 General Obligation Refunding Bonds, Series 2013	2028	2.0-2.5%	1,365,000	-
\$9,180,000 Certificate of Obligation Bonds, Series 2016	2046	2.0-5.0%	8,775,000	-
\$5,795,000 General Obligation Refunding Bonds, Series 2017	2032	2.0-5.0%	5,735,000	-
\$1,530,000 Tax Notes, Series 2017	2024	2.0-5.0%	1,116,000	-
\$1,910,000 General Obligation Refunding Bonds, Series 2014	2032	2.0-5.0%	1,525,000	-
\$2,100,000 Certificates of Obligation, Series 2018	2028	2.0-2.7%	-	2,095,000
			<u>\$ 32,171,250</u>	<u>\$ 2,999,750</u>

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

Year Ending September 30,	Principal	Interest	Total Requirements
2020	\$ 1,613,350	\$ 1,080,730	\$ 2,694,080
2021	1,651,350	1,037,343	2,688,693
2022	1,699,250	992,212	2,691,462
2023	1,742,700	945,371	2,688,071
2024	1,796,600	894,734	2,691,334
2025-2029	8,530,350	3,632,047	12,162,397
2030-2034	7,051,400	2,058,710	9,110,110
2035-2039	3,410,400	1,256,324	4,666,724
2040-2044	3,695,850	544,261	4,240,111
2045-2047	980,000	39,600	1,019,600
<b>Total</b>	<u>\$ 32,171,250</u>	<u>\$ 12,481,332</u>	<u>\$ 44,652,582</u>

## Town of Westlake

### Notes to the Financial Statements

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

Year Ending September 30,	Principal	Interest	Total Requirements
2020	\$ 108,650	\$ 89,179	\$ 197,829
2021	113,650	86,717	200,367
2022	114,750	84,051	198,801
2023	120,300	81,173	201,473
2024	121,400	78,075	199,475
2025-2029	670,650	338,561	1,009,211
2030-2034	816,600	225,170	1,041,770
2035-2039	739,600	91,482	831,082
2040-2043	194,150	15,939	210,089
<b>Total</b>	<b>\$ 2,999,750</b>	<b>\$ 1,090,347</b>	<b>\$ 4,090,097</b>

### Notes Payable

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

Year Ending September 30,	Note Payments
2020	\$ 36,677
2021	36,677
2022	36,677
2023	36,677
2024	18,342
<b>Total</b>	<b>\$ 165,050</b>

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

**Contractual Obligations**

Proprietary funds contractual obligations as of September 30, 2019 are as follows:

Contractual Obligations	Maturity	Interest Rate	Business- Type
Elevated Water Storage Facility	2020	5.0-5.65%	\$ 120,165
Limited pledge contractual obligation:			
Dove Road Water Line and West Pump Station	2028	6.75%	4,679,944
			<u>\$ 4,800,109</u>

Elevated Water Storage Facility - On October 9, 2000, the Town approved an interlocal agreement with the City of Keller, which provided for the joint construction, operation, maintenance and use of an elevated water storage facility and appurtenances. The Town recorded a contractual obligation of \$1,466,000 based on the terms of the interlocal agreement, which requires 20 annual principal and interest payments to the City of Keller, with payments due each September 30 at interest rates ranging from 5.0% to 5.65%. The last payment to the City of Keller will be made in fiscal year 2020.

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

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

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

Year Ending September 30,	Principal	Interest	Total Requirements
Past Due	\$ -	\$ 9,341,536	\$ 9,341,536
2020	120,165	1,114,085	1,234,250
2021	4,679,944	774,874	5,454,818
<b>Total</b>	<b>\$ 4,800,109</b>	<b>\$ 11,230,495</b>	<b>\$ 16,030,604</b>

**Prior Year Defeasance of Debt**

In prior years, the government defeased general obligations bonds by placing proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At September 30, 2019, there were no prior year defeased bonds outstanding.

**Compensated Absences**

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

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

*Texas Student Housing Corporation –Denton Project*

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Bonds:					
2001 A Bonds	\$ 20,240,000	\$ -	\$ (1,015,000)	\$ 19,225,000	\$ 1,085,000
2001 B Bonds	3,240,000	-	-	3,240,000	1,510,000
Less discount on bonds	(447,414)	-	37,485	(409,929)	-
<b>Total</b>	<b>\$ 23,032,586</b>	<b>\$ -</b>	<b>\$ (977,515)</b>	<b>\$ 22,055,071</b>	<b>\$ 2,595,000</b>

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

## Town of Westlake

### Notes to the Financial Statements

At August 31, 2019, 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, 2019. 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.

The debt service requirements of the bonds are as follows:

Year Ending August 31,	Principal	Interest	Total Requirements
Past Due	\$ 1,430,000	\$ 9,256,533	\$ 10,686,533
2020	1,165,000	1,513,768	2,678,768
2021	1,250,000	1,431,730	2,681,730
2022	1,330,000	1,343,530	2,673,530
2023	1,430,000	1,248,483	2,678,483
2024	1,535,000	1,145,963	2,680,963
2025-2029	9,500,000	3,905,638	13,405,638
2030-2031	4,825,000	531,508	5,356,508
	<u>\$ 22,465,000</u>	<u>\$ 20,377,153</u>	<u>\$ 42,842,153</u>

#### Texas Student Housing Corporation – College Station Project

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

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

The following is a summary of long-term debt transactions of the Project for the year ended August 31, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Revenue Certificates	<u>\$ 28,205,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,205,000</u>	<u>\$ 2,385,000</u>

## Town of Westlake

### Notes to the Financial Statements

The debt is to be amortized through 2040 with varying payments. The annual requirements to amortize the Project's outstanding installment notes payable as of August 31, 2019 are as follows:

Year Ending August 31,	Principal	Interest	Total
Past Due	\$ 1,610,000	\$ 23,702,147	\$ 25,312,147
2020	775,000	1,592,890	2,367,890
2021	830,000	1,530,858	2,360,858
2022	895,000	1,464,122	2,359,122
2023	495,000	1,410,935	1,905,935
2024	530,000	1,372,495	1,902,495
2025-2029	3,325,000	6,173,200	9,498,200
2030-2034	4,790,000	4,653,750	9,443,750
2035-2039	6,915,000	2,442,720	9,357,720
2040	8,040,000	103,808	8,143,808
<b>Total</b>	<b>\$ 28,205,000</b>	<b>\$ 44,446,925</b>	<b>\$ 72,651,925</b>

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, 2019.

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 J. P. Morgan Trust Company, N.A. (the Trustee) for the purpose of determining that each class is paid in accordance with the private placement memorandum.

At August 31, 2019, the Project was not in compliance with the fixed charge coverage ratio. As a result, the lender may accelerate the maturity of the unpaid portion of the principal payable under the installment sale agreement. However, the Authority does not anticipate this event will occur, since foreclosure by private interests would result in the loss of tax-exempt status for the Project.

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

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

Unearned revenue in the proprietary fund of \$330,978 relates to the collection of the entire amount due on twelve Ductbank leases as follows: three leases with AT&T local network services ranging from 5 – 30 years; six leases with Verizon Southwest ranging from 5-30 years; one five-year lease with MCI Metro; one five-year lease with L3 Communications for use of the Town's Ductbank; and one five-year lease with Charter.

Governmental funds report *deferred inflows of resources* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, deferred inflows of resources reported in the governmental funds consist of \$7,073 and \$1,247 of unavailable property taxes in the general fund and debt service fund, respectively. The unavailable contribution of \$5,172 is from the Town (general fund) with a time constraint to be used for fiscal year 2019. Accordingly, a deferred outflow of resources has been recorded in the general fund in the same amount.

## Town of Westlake

### Notes to the Financial Statements

#### Note 7. Interlocal Agreement with the City of Southlake

In August 1995, the Town entered into an agreement with the Town 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 Town of Southlake all transportation, treatment and related costs allocable to the metered flow of sewage from the Town into the sewer line.

#### Note 8. Federal and State Program Revenues

The Town received financial assistance from various federal and state governmental agencies in the form of grants for Westlake Academy. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any unallowed disbursement resulting from such audits becomes a liability of the Town. In the opinion of the Town management, no material refunds will be required as a result of unallowed disbursements (if any) by the grantor agencies. Sources of federal and state program revenues for the year ended September 30, 2019, were as follows:

Source	Westlake Academy
Federal program revenues:	
U.S. Department of Education - Passed through State Department of Education	
<b>Total federal program revenues</b>	<u>\$ 110,248</u>
State program revenues:	
<b>State Department of Education</b>	<u>\$ 7,415,219</u>

#### Note 9. Interfund Balances and Transactions

Interfund receivables and payables at September 30, 2019, were as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 308,116	\$ 108,598
Nonmajor governmental funds:		
Economic Development Fund	108,598	-
4B Economic Development Fund	-	308,116
	<u>\$ 416,714</u>	<u>\$ 416,714</u>

The 4B Economic Development Corporation Fund amount of \$308,116 payable to the General Fund is related to sales tax. The Economic Development Fund amount of \$108,598 receivable from the general fund is for prepaid cost on behalf of the general fund that will be reimbursed.

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

## Town of Westlake

### Notes to the Financial Statements

Individual fund transfers for fiscal year 2019 were as follows:

Transfer out	Transfer in	Amount	Purpose
General Fund	Debt Service Fund	\$ 399,194	Debt service payments
General Fund	Westlake Academy	224,806	For student reserve fund
General Fund	Capital projects fund	913,596	For capital improvements
General Fund	Westlake Academy Expansion	140,000	For Westlake Academy capital projects
Nonmajor Governmental	General Fund	9,348	For economic development funding
Nonmajor Governmental	Debt Service	2,008,168	Debt service payments
Utility Fund	Capital projects fund	142,450	For capital projects
Utility Fund	General Fund	64,763	Fort Worth impact revenue
		<u>\$ 3,902,325</u>	

#### Note 10. Water Purchase and Wastewater Treatment Contracts

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, 2019 was \$1,321,637.

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

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

	TMRS	TRS	Total
Pension Liability	\$ 1,741,361	\$ 1,489,525	\$ 3,230,886
Deferred outflows of resources	935,275	917,823	1,853,098
Deferred inflows of resources	74,455	110,944	185,399
Pension Expense	661,979	810,398	1,472,377

#### TMRS Plan Description

The Town participates as one of 866 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.tmr.com](http://www.tmr.com).

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

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

**TMRS Benefits Provided**

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

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

**TMRS Employees Covered By Benefit Terms**

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees of beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	25
Active employees	43
	<hr/>
	79
	<hr/> <hr/>

**TMRS Contributions**

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

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 12.84% and 11.80% in calendar years 2018 and 2019, respectively. The Town's contributions to TMRS for the year ended September 30, 2019, were \$473,030, and were equal to the required contributions.

**TMRS Net Pension Liability**

The Town's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**TMRS Actuarial Assumptions**

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

- Inflation 2.5% per year
- Overall payroll growth 3.5% to 10.5%, including inflation
- Investment Rate of Return 6.75%, net of pension plan investment expense, including inflation
- Amortization method: Level percentage of payroll, closed
- Remaining amortization period: 25 years
- Asset valuation method: 10 year smooth market; 15% soft corridor

## Town of Westlake

### Notes to the Financial Statements

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

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.76%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
<b>Total</b>	<b>100.0%</b>	

## Town of Westlake

### Notes to the Financial Statements

#### TMRS Discount Rate

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

#### TMRS Allocations

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

#### TMRS Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 7,043,769	\$ 5,981,488	\$ 1,062,281
Changes for the year:			
Service Cost	605,453	-	605,453
Interest	493,022	-	493,022
Change of benefit terms	-	-	-
Difference between expected and actual experience	126,691	-	126,691
Changes of assumptions	-	-	-
Contributions - employer	-	472,011	(472,011)
Contributions - employee	-	257,327	(257,327)
Net investment income	-	(179,608)	179,608
Benefit payments, including refunds of employee contributions	(84,942)	(84,942)	-
Administrative expense	-	(3,463)	3,463
Other changes	-	(181)	181
Net Changes	<u>1,140,224</u>	<u>461,144</u>	<u>679,080</u>
<b>Balance at 12/31/18</b>	<b><u><u>\$ 8,183,993</u></u></b>	<b><u><u>\$ 6,442,632</u></u></b>	<b><u><u>\$ 1,741,361</u></u></b>

## Town of Westlake

### Notes to the Financial Statements

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	\$ 3,033,547	\$ 1,741,361	\$ 680,251

#### TMRS Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2019, the Town recognized pension expense of \$661,979.

At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 240,800	\$ 74,455
Changes in actuarial assumptions	40,235	-
Difference between projected and actual investment earnings	309,650	-
Contributions subsequent to the measurement date	344,590	-
<b>Total</b>	<b>\$ 935,275</b>	<b>\$ 74,455</b>

\$344,590 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020.

## Town of Westlake

### Notes to the Financial Statements

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

Year ended September 30,	Net Deferred Outflows (Inflows)
2020	\$ 196,085
2021	114,733
2022	68,705
2023	136,707
<b>Total</b>	<b>\$ 516,230</b>

#### Defined Benefit Pension Plan – TRS

##### TRS Plan Description

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

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

##### TRS Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

##### TRS Benefits Provided

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

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

## Town of Westlake

### Notes to the Financial Statements

#### TRS Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

Contribution rates	2018	2019
Member	7.70%	7.70%
Non-employer contributing entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
2019 Employer contributions	\$ 100,311	
2019 Member contributions	\$ 425,039	
2019 NECE on-behalf contributions	\$ 340,785	

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 part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

## Town of Westlake

### Notes to the Financial Statements

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

### TRS Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return*	7.25%
Municipal bond rate as of August 2018	3.69%. Source for the rate is the fixed Income Market Data/Yield Curve/Date Municipal Bonds with 20 Years to maturity that include only federally tax-exempt Municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31, in 2017 to 2116 projection period (100 years)	2116
Inflation	2.30%
Salary increases including inflation	3.50% to 9.50% includes inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2017 and adopted on September 24, 2018.

### TRS Discount Rate

The discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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.

## Town of Westlake

### Notes to the Financial Statements

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return <sup>*</sup>
Global Equity			
U.S.	18%	5.7%	1.0%
Non-U.S. Developed	13%	6.9%	0.9%
Emerging Markets	9%	9.0%	0.8%
Directional Hedge Funds	4%	3.5%	0.1%
Private Equity	13%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11%	1.1%	0.1%
Absolute Return	0%	0.0%	0.0%
Stable Value Hedge Funds	4%	3.1%	0.1%
Cash	1%	-0.3%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.7%	0.0%
Real Assets	14%	5.2%	0.7%
Energy and Natural Resources	5%	7.5%	0.4%
Commodities	0%	0.0%	0.0%
Risk Parity			
Risk Parity	5%	3.7%	0.2%
Inflation Expectation			2.3%
Alpha			-0.8%
<b>Total</b>	100.0%		7.3%

<sup>\*</sup>The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

### TRS Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the 2018 Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
Academy's proportionate share of the TRS net pension liability	\$ 2,248,050	\$ 1,489,525	\$ 875,454

## Town of Westlake

### Notes to the Financial Statements

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

At August 31, 2019, the Academy reported a liability of \$1,489,525 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	\$	1,489,525
State's proportionate share that is associated with Academy		5,571,598
		<hr/>
	\$	7,061,123
		<hr/>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2017 rolled forward to August 31, 2018. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was 0.0027061397% which was an increase of 0.0000950301% from its proportion measured as of August 31, 2017.

#### TRS Changes since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

For the year ended August 31, 2019, the Academy recognized pension expense of \$810,398 and revenue of \$551,440 for support provided by the State.



**Town of Westlake**

Notes to the Financial Statements

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

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

	TMRS SDBF	TRS-Care	Total
OPEB Liability	\$ 54,484	\$ 2,950,588	\$ 3,005,072
Deferred outflows of resources	9,102	267,368	276,470
Deferred inflows of resources	5,843	933,047	938,890
OPEB Expense	9,308	251,891	261,199

**TMRS-SDBF Plan Description**

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

**TMRS-SDBF Benefits Provided**

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

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	4
Active employees	43
	53

## Town of Westlake

### Notes to the Financial Statements

#### TMRS-SDBF Contributions

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

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

The retiree portion of contribution rates to the SDBF for the Town was 0.01% and 0.01% in calendar years 2018 and 2019. The Town's contributions to the SDBF for the year ended September 30, 2019 were \$7,349, and were equal to the required contributions.

#### TMRS-SDBF Total OPEB Liability

The Town's Total OPEB Liability (TOL) was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

#### TMRS-SDBF Actuarial Assumptions

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.5% to 10.5% including inflation
Discount rate	3.71%
Retiree's share of benefit-related costs	0.00%

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. Mortality rates for disabled retirees were based on the RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018, valuation were developed primarily from an actuarial experience study of the four-year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal Actuarial Cost Method.

## Town of Westlake

### Notes to the Financial Statements

The discount rate used to measure the Total OPEB Liability was 3.71% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

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

	Total OPEB Liability
Balance at 12/31/2017	\$ 56,862
Changes for the year:	
Service Cost	7,720
Interest on Total OPEB Liability	1,844
Change of benefit terms	-
Difference between expected and actual experience	(2,126)
Changes of assumptions or other inputs	(4,632)
Benefit payments	(368)
Administrative expense	-
Other changes	(4,816)
Net changes	(2,378)
<b>Balance at 12/31/18</b>	<b>\$ 54,484</b>

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

The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.71%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.71%) or 1 percentage-point higher (4.71%) than the current rate:

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB Liability	\$ 67,100	\$ 54,484	\$ 44,690

## Town of Westlake

### Notes to the Financial Statements

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

For the year ended September 30, 2019, the Town recognized OPEB expense of \$9,308. At September 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Changes in assumptions and other inputs	\$ -	\$ 1,838
Changes in assumptions and other inputs	3,554	4,005
Contributions subsequent to the measurement date	<u>5,548</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 9,102</u></u>	<u><u>\$ 5,843</u></u>

The \$5,548 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2020. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30,	Net Deferred Outflows (Inflows)
<u>                    </u>	<u>                    </u>
2020	\$ (256)
2021	(256)
2022	(256)
2023	(256)
2024	(256)
Thereafter	<u>(1,009)</u>
<b>Total</b>	<u><u>\$ (2,289)</u></u>

#### TRS-Care Health Care Coverage

During the period ended August 31, 2019, employees of the Academy (a blended component unit of the Town) who met minimum eligibility requirements were covered by a state-wide health care plan, TRS Active Care. The Academy's participation in this plan is renewed annually. The Academy paid into the Plan \$367 per month per employee and \$292 per month when the employee works less than 30 hours per week if eligible to enroll in TRS Active Care. Employees, at their option, pay premiums for any coverage above these amounts as well as for dependent coverage.

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

# Town of Westlake

## Notes to the Financial Statements

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

#### TRS-Care Plan Description

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

#### TRS-Care Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### TRS-Care Benefits Provided

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

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

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates			
Effective September 1, 2018 - December 31, 2018			
	TRS-Care 2		
	Medicare	Non-Medicare	
Retiree*	\$ 135	\$ 200	
Retiree and spouse	529	689	
Retiree* and children	468	408	
Retiree and family	1,020	999	

\* or surviving spouse

## Town of Westlake

### Notes to the Financial Statements

#### TRS-Care Contributions

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

Texas Insurance Code, Section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2019	2018
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the Academy's fiscal year 2019 are as follows:

2018 Employer contributions	\$ 46,703
2018 Member contributions	425,039
2018 NECE on-behalf contributions	64,776

In addition, the State of Texas contributed \$63,877, \$72,065, and \$49,659 in 2019, 2018, and 2017, respectively, for on-behalf payments for Medicare Part D.

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-19 biennium to continue to support the program. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

#### TRS-Care Actuarial Assumptions

A change was made in the measurement date of the total OPEB liability for this fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This is the first year using the roll forward procedures.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality and most of the economic assumptions used in this OPEB valuation were identical to those used in the respective TRS pension valuation.

## Town of Westlake

### Notes to the Financial Statements

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The Post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

The total OPEB liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation date	August 31, 2017, rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Discount Rate	3.69%. Source from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018
Aging factors	Based on plan specific experience Normal
Election rates	Retirement; 70% participation prior to age 65 and 75% after age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected salary increases	3.05% to 9.50%, including inflation
Healthcare trend rates	Initial medical trend rates of 107.74 percent and 9.00 percent for Medicare retirees and an initial medical trend rate of 6.75 percent for Non-medicare retirees. Initial prescription drug trend rate of 11.00 percent for all retirees. The first year trend increase for Medicare Advantage (medical) premiums reflects the anticipated return of the Health Insurer Fee (HIF) in 2020.
Ad-hoc employment benefit changes	None

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 point addition to the long-term trend rate assumption.

**Town of Westlake**

Notes to the Financial Statements

**TRS-Care Discount Rate**

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of .27 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TRS-Care Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
Academy's proportionate share of the net OPEB liability	\$ 3,512,213	\$ 2,950,588	\$ 2,506,306

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

	1% Decrease in Rate	Trend Rate	1% Increase in Discount Rate
Academy's proportionate share of the net OPEB liability	\$ 2,450,511	\$ 2,950,588	\$ 3,609,199

**TRS-Care OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At August 31, 2019, the Academy reported a liability of \$2,950,588 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 OPEB liability	\$ 2,950,588
State's proportionate share that is associated with Academy	<u>4,695,104</u>
<b>Total</b>	<u><u>\$ 7,645,692</u></u>

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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, 2017 thru August 31, 2018.

## Town of Westlake

### Notes to the Financial Statements

At August 31, 2018 the employer's proportion of the collective Net OPEB Liability was .0059093400% which was an increase of .0000262982% the same proportion measured as of August 31, 2017.

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

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the total OPEB liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability \$2.3 billion.
- Change of benefit terms since the prior measurement date made effective September 1, 2017 by the 85th Texas Legislature.

For the year ended August 31, 2019, the Academy recognized OPEB expense of \$251,891 and revenue of \$170,780 for support provided by the State.

At August 31, 2019, the Academy reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 156,577	\$ 46,565
Changes in actuarial assumptions	49,237	886,482
Difference between projected and actual investment earnings	516	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	14,335	-
Contributions paid to TRS subsequent to the measurement date	46,703	-
<b>Total</b>	<b>\$ 267,368</b>	<b>\$ 933,047</b>

The \$46,703 deferred outflow of resources resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2020.

## Town of Westlake

### Notes to the Financial Statements

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

Year Ended August 31,	OPEB Expense (Income) Amount
2020	\$ (114,343)
2021	(114,343)
2022	(114,343)
2023	(114,441)
2024	(114,499)
Thereafter	(140,413)
<b>Total</b>	<b>\$ (712,382)</b>

#### Note 13. Risk Management

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

#### Note 14. Contingent Liabilities

##### Litigation

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

##### Circle T Municipal Utility Districts

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

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

## Town of Westlake

### Notes to the Financial Statements

#### Note 15. Solana Public Improvement District

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

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

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

#### Note 16. Tax Abatements

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

#### Other Economic Agreements

Chapter 380 of the Texas Local Government Code allows the Town to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the Town. For the fiscal year ending September 30, 2019, the Town abated \$259,922 in property taxes; \$271,943 in sales taxes; and \$35,040 in hotel/motel taxes.

## **Town of Westlake**

### Notes to the Financial Statements

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

The 2019 financial statements were prepared assuming the Texas Student Housing entities will continue as going concerns. The Texas Student Housing entities' bonds payable are considered to be in default due to not making full principal and interest payments and, therefore, are reported as current liabilities. This is considered an event of default by the Trustees, which gives the bondholders the right to accelerate and demand payment of the bonds in full. Management and the property managers are in the process of developing and implementing plans to increase occupancy and rental rates at the properties to improve their financial performance.

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

The Town has evaluated all events or transactions that occurred after September 30, 2019 up through March 24, 2020, the date the financial statements were issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements, except as follows:

##### COVID-19

The extent of the operational and financial impact the COVID-19 pandemic may have on the Town has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, the Town is unable to accurately predict how COVID-19 will affect the results of its operations because the virus's severity and the duration of the pandemic are uncertain.

## **Required Supplementary Information**



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

# Town of Westlake

Exhibit B-1

Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
Budget and Actual – General Fund  
For the Year Ended September 30, 2019

	General Fund			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Amended		
<b>REVENUES</b>				
Taxes				
Sales	\$ 3,900,000	\$ 5,550,000	\$ 5,752,561	\$ 202,561
Property	1,733,356	1,733,356	1,655,548	(77,808)
Mixed beverages	62,500	62,500	66,923	4,423
Franchise	983,815	831,095	964,239	133,144
Interest income	183,735	289,250	366,779	77,529
Building permits and fees	4,626,874	5,640,480	5,873,529	233,049
Fines and penalties	715,545	548,111	616,451	68,340
Contributions	12,240	137,240	112,700	(24,540)
Miscellaneous	99,785	105,600	139,310	33,710
Total revenues	<u>12,317,850</u>	<u>14,897,632</u>	<u>15,548,040</u>	<u>650,408</u>
<b>EXPENDITURES</b>				
Current				
General government	5,049,759	5,421,001	5,330,174	90,827
Public safety	3,515,293	3,519,754	3,269,778	249,976
Cultural and recreation	367,319	367,202	272,146	95,056
Public works	458,447	449,768	593,830	(144,062)
Debt service				
Principal retirement	36,680	36,680	36,677	3
Total expenditures	<u>9,427,498</u>	<u>9,794,405</u>	<u>9,502,605</u>	<u>291,800</u>
Excess of revenues over expenditures	<u>2,890,352</u>	<u>5,103,227</u>	<u>6,045,435</u>	<u>942,208</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	66,539	66,539	74,111	7,572
Transfers out	(2,255,707)	(1,705,707)	(1,677,596)	28,111
Net other financing sources (uses)	<u>(2,189,168)</u>	<u>(1,639,168)</u>	<u>(1,603,485)</u>	<u>35,683</u>
<b>NET CHANGE IN FUND BALANCE</b>	701,184	3,464,059	4,441,950	977,891
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>10,796,248</u>	<u>10,796,248</u>	<u>10,796,248</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 11,497,432</u>	<u>\$ 14,260,307</u>	<u>\$ 15,238,198</u>	<u>\$ 977,891</u>

**Town of Westlake**

**Exhibit B-2**

Schedule of Revenues, Expenditures  
And Changes in Fund Balances  
Budget and Actual – Westlake Academy  
For the Year Ended August 31, 2019

	<b>Westlake Academy</b>			<b>Variance Favorable (Unfavorable)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
State program revenues	\$ 7,311,023	\$ 7,432,695	\$ 7,415,219	\$ (17,476)
Federal program revenues	104,000	110,248	110,248	-
Interest income	9,000	20,000	22,558	2,558
Local and intermediate sources	1,552,528	1,535,906	1,656,379	120,473
<b>Total revenues</b>	<b>8,976,551</b>	<b>9,098,849</b>	<b>9,204,404</b>	<b>105,555</b>
<b>EXPENDITURES</b>				
Education	8,896,592	9,008,406	8,996,714	11,692
Interest and other fiscal charges	167,068	167,068	166,004	1,064
<b>Total expenditures</b>	<b>9,063,660</b>	<b>9,175,474</b>	<b>9,162,718</b>	<b>12,756</b>
Excess (Deficiency) of revenues over (under) expenditures	(87,109)	(76,625)	41,686	118,311
<b>OTHER FINANCING SOURCES</b>				
Transfers in	224,806	224,806	224,806	-
<b>Total other financing sources</b>	<b>224,806</b>	<b>224,806</b>	<b>224,806</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>137,697</b>	<b>148,181</b>	<b>266,492</b>	<b>118,311</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>1,121,198</b>	<b>1,121,198</b>	<b>1,121,198</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,258,895</b>	<b>\$ 1,269,379</b>	<b>\$ 1,387,690</b>	<b>\$ 118,311</b>

## Town of Westlake

### Notes to Budgetary Comparison Schedules

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

1. The Town Manager submits to the Town Council a proposed budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
2. Prior to October 1, the budget is legally adopted through passage of an ordinance. This budget is reported as the Original Budget in the budgetary comparison schedules.
3. During the fiscal year, changes to the adopted budget may be authorized, as follows:
  - a. Items requiring Town Council action - appropriation of fund balance reserves; transfers of appropriations between funds; new inter-fund loans or advances; and creation of new capital projects or increases to existing capital projects.
  - b. Items delegated to the Town Manager - appropriation balances from an expenditure account to another within a single fund.
4. Annual budgets are legally adopted and amended as required for the general, special revenue and debt service funds. Project length budgets are adopted for the capital projects funds. All budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets are adopted for the proprietary funds annually only as a management tool. There are no legally mandated budgetary constraints for the proprietary funds.
5. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
6. The appropriated budget is prepared by fund, function and department. The Town's management may make transfers of appropriations within a fund. Transfers of appropriations between funds require the approval of the Town Council. The legal level of budgetary control is the fund level. The Town Council made several supplementary budget appropriations during the year.
7. Commitments are for goods or services in future years. Accounting under other commitments for the expenditure of resources are recorded to reserve a portion of the governmental funds. The budgeted commitments lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated, budgeted, and honored during the subsequent year.
8. Prior to August 25 of the preceding fiscal year, the Westlake Academy prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget. Prior to September 1, the budget is legally enacted through resolution by the Board. Once a budget is approved, it can only be amended at the object, function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment made before the fact, is reflected in the official minutes of the Board, and is not made after fiscal year end. All budget appropriations lapse at year end.

# Town Of Westlake

# Exhibit B-3

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>					
Service cost	\$ 605,453	\$ 566,643	\$ 483,414	\$ 435,146	\$ 288,923
Interest	493,022	439,725	371,753	317,982	264,994
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	126,691	(120,557)	212,434	96,226	176,965
Change in assumptions	-	-	-	139,579	-
Benefit payments	<u>(84,942)</u>	<u>(146,316)</u>	<u>(58,144)</u>	<u>(38,289)</u>	<u>(55,762)</u>
Net change in total pension liability	1,140,224	739,495	1,009,457	950,644	675,120
Total pension liability, beginning	<u>7,043,769</u>	<u>6,304,274</u>	<u>5,294,817</u>	<u>4,344,173</u>	<u>3,669,053</u>
Total pension liability, ending	<u>8,183,993</u>	<u>7,043,769</u>	<u>6,304,274</u>	<u>5,294,817</u>	<u>4,344,173</u>
<b>Plan fiduciary net position</b>					
Contributions, employer	472,011	400,684	330,604	290,278	172,064
Contributions, nonemployer	257,327	232,776	203,359	188,725	152,077
Net investment income	(179,608)	670,195	276,056	5,368	182,430
Benefit payments	(84,942)	(146,316)	(58,144)	(38,289)	(55,762)
Administrative income	(3,463)	(3,468)	(3,113)	(3,268)	(1,904)
Other	<u>(181)</u>	<u>(176)</u>	<u>(168)</u>	<u>(191)</u>	<u>(127)</u>
Net change in plan fiduciary net position	461,144	1,153,695	748,594	442,623	448,778
Plan fiduciary net position, beginning	<u>5,981,488</u>	<u>4,827,793</u>	<u>4,079,199</u>	<u>3,636,576</u>	<u>3,187,798</u>
Plan fiduciary net position, ending	<u>6,442,632</u>	<u>5,981,488</u>	<u>4,827,793</u>	<u>4,079,199</u>	<u>3,636,576</u>
<b>Town's net pension liability, ending</b>	<u>\$ 1,741,361</u>	<u>\$ 1,062,281</u>	<u>\$ 1,476,481</u>	<u>\$ 1,215,618</u>	<u>\$ 707,597</u>
Plan fiduciary net position as a % of total pension liability	78.72%	84.92%	76.58%	77.04%	83.71%
Covered payroll	\$ 3,676,095	\$ 3,325,369	\$ 2,905,134	\$ 2,696,072	\$ 2,172,525
Town's net pension liability as a % of payroll	47.37%	31.94%	50.82%	45.09%	32.57%

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

**Town of Westlake**  
 Schedule of Pension Contributions  
 Texas Municipal Retirement System Pension Plan  
 Last Five Fiscal Years

**Exhibit B-4**

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

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

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

**Town of Westlake**

**Exhibit B-5**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Academy's proportion of the net pension liability	0.0027061%	0.0028012%	0.0027822%	0.0030945%	0.0007190%
Academy's proportionate share of net pension liability	\$ 1,489,525	\$ 895,663	\$ 1,051,346	\$ 1,093,865	\$ 192,056
State's proportionate share of net pension liability associated with the Westlake Academy	<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>
<b>Total</b>	<u>\$ 7,061,123</u>	<u>\$ 4,375,720</u>	<u>\$ 5,087,100</u>	<u>\$ 4,761,758</u>	<u>\$ 3,157,639</u>
Academy's covered payroll	\$ 5,289,916	\$ 5,391,515	\$ 5,094,571	\$ 4,784,695	\$ 4,300,931
Academy's proportionate share of net pension liability as a percentage of its covered payroll	28.16%	16.61%	20.64%	22.86%	4.47%
Plan fiduciary net position as a percentage of total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

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

**Town of Westlake**  
 Schedule of Pension Contributions  
 Teacher Retirement System Pension Plan  
 Last Five Fiscal Years  
 (Unaudited)

**Exhibit B-6**

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

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

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

**Town of Westlake**

**Exhibit B-7**

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

	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>		
Service cost	\$ 7,720	\$ 6,318
Interest	1,844	1,603
Change in benefit terms	-	-
Difference between expected and actual experience	(2,126)	-
Change in assumptions	(4,632)	4,872
Benefit payments	(5,184)	4,816
	<u>(2,378)</u>	<u>17,609</u>
Net change in total OPEB liability		
Total OPEB liability, beginning	<u>56,862</u>	<u>39,253</u>
<b>Total OPEB liability, ending</b>	<u>\$ 54,484</u>	<u>\$ 56,862</u>
Covered payroll	\$ 3,676,094	\$ 3,325,369
Total OPEB liability as a % of covered payroll	1.48%	1.71%

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

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

**Town of Westlake**  
 Schedule of OPEB Contributions  
 Texas Municipal Retirement System OPEB Plan  
 Last Two Fiscal Years  
 (Unaudited)

**Exhibit B-8**

	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 7,349	\$ 6,380
Contributions in relation to the actuarially determined contributions	<u>(7,349)</u>	<u>(6,380)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,920,565	\$ 3,676,094
Contributions as a percentage of covered payroll	0.19%	0.17%

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

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

**Town of Westlake**

**Exhibit B-9**

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

	<u>2018</u>	<u>2017</u>
Academy's proportion of the net OPEB liability	0.0059093%	0.0058830%
Academy's proportionate share of net OPEB liability	\$ 2,950,588	\$ 2,558,314
State's proportionate share of net OPEB liability associated with the Westlake Academy	<u>4,695,104</u>	<u>4,406,333</u>
<b>Total</b>	<u><u>\$ 7,645,692</u></u>	<u><u>\$ 6,964,647</u></u>
Academy's covered payroll	\$ 5,289,916	\$ 5,391,515
Academy's proportionate share of net OPEB liability as a percentage of its covered payroll	55.78%	47.45%
Plan fiduciary net position as a percentage of total OPEB liability	1.57%	0.91%

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

**Town of Westlake**

**Exhibit B-10**

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

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

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

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



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

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

**Town of Westlake**

**Exhibit C-1**

Schedule of Revenues, Expenditures  
and Changes In Fund Balances  
Budget and Actual – Debt Service Fund  
For the Year Ended September 30, 2019

	Debt Service Fund			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Amended		
<b>REVENUES</b>				
Taxes				
Property	\$ 256,878	\$ 299,430	\$ 300,693	\$ 1,263
Total revenues	256,878	299,430	300,693	1,263
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	1,567,450	1,567,450	1,567,450	-
Interest and other fiscal charges	1,126,150	1,126,150	1,124,720	1,430
Total expenditures	2,693,600	2,693,600	2,692,170	1,430
Excess (deficiency) of revenues over (under) expenditures	(2,436,722)	(2,394,170)	(2,391,477)	2,693
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,405,901	2,405,901	2,407,362	1,461
Net other financing sources	2,405,901	2,405,901	2,407,362	1,461
<b>NET CHANGE IN FUND BALANCE</b>	(30,821)	11,731	15,885	4,154
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	28,798	28,798	28,798	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ (2,023)	\$ 40,529	\$ 44,683	\$ 4,154

## **Town of Westlake**

### Nonmajor Governmental Funds

#### **Visitors Association Fund**

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

#### **Lone Star Public Facilities Corporation**

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

#### **Economic Development Fund**

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

#### **Public Arts Fund**

To account for contributions restricted for public arts.

#### **4B Economic Development Corporation**

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

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

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

Town of Westlake  
Combining Balance Sheet  
Non Major Governmental Funds  
September 30, 2019

Exhibit C-2

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Visitors Association	Lone Star Public Facilities Corporation Fund	Economic Development Fund	Public Arts Fund	4B Economic Development Corporation Fund	Solana PID Capital Projects Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 703,288	\$ 14,543	\$ -	\$ 10,000	\$ -	\$ -	\$ 727,831
Accounts receivable	67,392	-	46,731	-	308,116	-	422,239
Due from other funds	-	-	108,598	-	-	-	108,598
Prepaid items	1,395	-	130,652	-	-	-	132,047
Restricted cash and investments	-	-	-	-	-	308,793	308,793
<b>Total assets</b>	<b>\$ 772,075</b>	<b>\$ 14,543</b>	<b>\$ 285,981</b>	<b>\$ 10,000</b>	<b>\$ 308,116</b>	<b>\$ 308,793</b>	<b>\$ 1,699,508</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 41,847	\$ -	\$ 155,329	\$ -	\$ -	227,015	\$ 424,191
Unearned revenue	3,895	-	-	-	-	-	3,895
Due to other funds	-	-	-	-	308,116	-	308,116
<b>Total liabilities</b>	<b>45,742</b>	<b>-</b>	<b>155,329</b>	<b>-</b>	<b>308,116</b>	<b>227,015</b>	<b>736,202</b>
<b>FUND BALANCES</b>							
Nonspendable:							
Prepaid items	1,395	-	130,652	-	-	-	132,047
Restricted for:							
Capital items	-	-	-	-	-	81,778	81,778
Tourism	724,938	-	-	10,000	-	-	734,938
Future projects	-	14,543	-	-	-	-	14,543
<b>Total fund balances</b>	<b>726,333</b>	<b>14,543</b>	<b>130,652</b>	<b>10,000</b>	<b>-</b>	<b>81,778</b>	<b>963,306</b>
<b>Total liabilities and fund balances</b>	<b>\$ 772,075</b>	<b>\$ 14,543</b>	<b>\$ 285,981</b>	<b>\$ 10,000</b>	<b>\$ 308,116</b>	<b>\$ 308,793</b>	<b>\$ 1,699,508</b>

**Town of Westlake**

**Exhibit C-3**

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2019

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Visitors Association	Lone Star Public Facilities Corporation Fund	Economic Development Fund	Public Arts Fund	4B Economic Development Corporation Fund	Solana PID Capital Projects Fund	
<b>REVENUES</b>							
Sales taxes	\$ -	\$ -	\$ 271,942	\$ -	\$ 2,008,168	\$ -	\$ 2,280,110
Hotel occupancy taxes	826,670	-	35,040	-	-	-	861,710
Interest income	20,141	402	-	-	-	3,221	23,764
Contributions	500	-	140,000	-	-	-	140,500
Miscellaneous	8,620	-	-	-	-	-	8,620
<b>Total revenues</b>	<b>855,931</b>	<b>402</b>	<b>446,982</b>	<b>-</b>	<b>2,008,168</b>	<b>3,221</b>	<b>3,314,704</b>
<b>EXPENDITURES</b>							
Current:							
Economic development	-	-	306,982	-	-	-	306,982
Visitor services	884,689	-	-	20,000	-	-	904,689
<b>Total expenditures</b>	<b>884,689</b>	<b>-</b>	<b>306,982</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>1,211,671</b>
Excess (deficiency) of revenues over (under) expenditures	(28,758)	402	140,000	(20,000)	2,008,168	3,221	2,103,033
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	-	-	(9,348)	-	(2,008,168)	-	(2,017,516)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(9,348)</b>	<b>-</b>	<b>(2,008,168)</b>	<b>-</b>	<b>(2,017,516)</b>
<b>Net change in fund balances</b>	<b>(28,758)</b>	<b>402</b>	<b>130,652</b>	<b>(20,000)</b>	<b>-</b>	<b>3,221</b>	<b>85,517</b>
Fund balances, October 1	755,091	14,141	-	30,000	-	78,557	877,789
<b>Fund balances, September 30</b>	<b>\$ 726,333</b>	<b>\$ 14,543</b>	<b>\$ 130,652</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 81,778</b>	<b>\$ 963,306</b>

**Town Of Westlake**

**Exhibit C-4**

Schedule of Revenues, Expenditures  
And Changes in Fund Balances  
Budget and Actual – Visitors Association Fund  
For the Year Ended September 30, 2019

	Visitors Association Fund			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Amended		
<b>REVENUES</b>				
Taxes				
Hotel occupancy	\$ 816,702	\$ 816,932	\$ 826,670	\$ 9,738
Interest income	14,606	14,606	20,141	5,535
Contributions	3,000	500	500	-
Miscellaneous	9,587	21,692	8,620	(13,072)
Total revenues	<u>843,895</u>	<u>853,730</u>	<u>855,931</u>	<u>2,201</u>
<b>EXPENDITURES</b>				
Visitor services	982,978	1,047,222	884,689	162,533
Total expenditures	<u>982,978</u>	<u>1,047,222</u>	<u>884,689</u>	<u>162,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(139,083)</u>	<u>(193,492)</u>	<u>(28,758)</u>	<u>164,734</u>
<b>NET CHANGE IN FUND BALANCE</b>	(139,083)	(193,492)	(28,758)	164,734
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	755,091	755,091	755,091	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 616,008</u>	<u>\$ 561,599</u>	<u>\$ 726,333</u>	<u>\$ 164,734</u>

**Town of Westlake**

**Exhibit C-5**

Schedule of Revenues, Expenditures  
and Changes In Fund Balances  
Budget and Actual – Lone Star Public Facilities Corporation Fund  
For the Year Ended September 30, 2019

	<b>Lone Star Public Facilities Corporation</b>			<b>Variance Favorable (Unfavorable)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Amended</b>		
<b>REVENUES</b>				
Interest income	\$ 275	\$ 1,035	\$ 402	\$ (633)
Total revenues	275	1,035	402	(633)
<b>NET CHANGE IN FUND BALANCE</b>	275	1,035	402	(633)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	14,141	14,141	14,141	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ 14,416	\$ 15,176	\$ 14,543	\$ (633)

**Town of Westlake**

**Exhibit C-6**

Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual – Economic Development Fund  
For the Year Ended September 30, 2019

	Economic Development Fund			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Amended		
<b>REVENUES</b>				
Taxes				
Sales	\$ 300,000	\$ 300,000	\$ 271,942	\$ (28,058)
Hotel occupancy	36,940	36,982	35,040	(1,942)
Miscellaneous	164,300	164,300	140,000	(24,300)
Total revenues	<u>501,240</u>	<u>501,282</u>	<u>446,982</u>	<u>(54,300)</u>
<b>EXPENDITURES</b>				
Economic development	336,940	336,982	306,982	30,000
Total expenditures	<u>336,940</u>	<u>336,982</u>	<u>306,982</u>	<u>30,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>164,300</u>	<u>164,300</u>	<u>140,000</u>	<u>(24,300)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(164,300)	(164,300)	(9,348)	154,952
Total other financing sources (uses)	<u>(164,300)</u>	<u>(164,300)</u>	<u>(9,348)</u>	<u>154,952</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	130,652	130,652
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 130,652</u></u>	<u><u>\$ 130,652</u></u>

**Town of Westlake**

**Exhibit C-7**

Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Budget and Actual – 4B Economic Development Corporation Fund  
For the Year Ended September 30, 2019

	4B Economic Development Corporation			Variance Favorable (Unfavorable)
	Budgeted Amounts		Actual	
	Original	Amended		
<b>REVENUES</b>				
Taxes				
Sales	\$ 1,400,000	\$ 1,950,000	\$ 2,008,168	\$ 58,168
Total revenues	1,400,000	1,950,000	2,008,168	58,168
<b>OTHER FINANCING USES</b>				
Transfers out	(1,400,000)	(1,950,000)	(2,008,168)	(58,168)
Total other financing uses	(1,400,000)	(1,950,000)	(2,008,168)	(58,168)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

## **Town of Westlake**

### Agency Funds

#### **PID Agency Fund**

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

Town of Westlake  
 PID Agency Fund  
 Statement of Changes in Assets and Liabilities  
 For the Year Ended September 30, 2019

Exhibit C-8

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
<b>ASSETS</b>				
Restricted cash and cash equivalents	\$ 2,113,820	\$ 46,478	\$ -	\$ 2,160,298
<b>Total assets</b>	<u>\$ 2,113,820</u>	<u>\$ 46,478</u>	<u>\$ -</u>	<u>\$ 2,160,298</u>
<b>LIABILITIES</b>				
Liability to bond holders	\$ 2,113,820	\$ 46,478	\$ -	\$ 2,160,298
<b>Total liabilities</b>	<u>\$ 2,113,820</u>	<u>\$ 46,478</u>	<u>\$ -</u>	<u>\$ 2,160,298</u>



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THE TOWN OF  
**WESTLAKE**

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DISTINCTIVE BY DESIGN

# Statistical Section

## Statistical Section

### Unaudited

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

	Page
<b>Financial Trends</b>	117 - 122
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	123 - 127
These schedules contain information to help the reader assess the Town's most significant local revenue sources. Although sales taxes are the Town's most significant local revenue source, information about principal revenue payers is confidential under Texas statutes, and; therefore, not disclosed. Trend information about sales tax revenue is provided in Exhibit S-9.	
<b>Debt Capacity</b>	128 - 130
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.	
<b>Demographic and Economic Information</b>	131 - 133
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
<b>Operating Information</b>	134 - 135
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

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

Town of Westlake  
Net Position by Component  
Last Ten Years  
Accrual Basis of Accounting – Unaudited

Exhibit S-1

	<i>Fiscal Year</i>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net Investment in capital assets	\$ 13,633,485	\$ 12,658,921	\$ 14,866,299	\$ 21,177,426	\$ 32,048,991	\$ 29,633,298	\$ 38,299,337	\$ 46,499,873	\$ 47,629,452	\$ 48,030,010
Restricted	1,564,868	7,137,362	4,726,376	4,243,239	2,284,947	17,827,177	7,489,048	2,034,916	1,077,646	3,786,893
Unrestricted	<u>5,866,046</u>	<u>3,448,100</u>	<u>5,023,731</u>	<u>6,636,876</u>	<u>( 910,977)</u>	<u>7,108,101</u>	<u>9,260,572</u>	<u>9,513,643</u>	<u>6,437,845</u>	<u>10,775,740</u>
Total governmental activities net position	<u>\$ 21,064,399</u>	<u>\$ 23,244,383</u>	<u>\$ 24,616,406</u>	<u>\$ 32,057,541</u>	<u>\$ 33,422,961</u>	<u>\$ 54,568,576</u>	<u>\$ 55,048,957</u>	<u>\$ 58,048,432</u>	<u>\$ 55,144,943</u>	<u>\$ 62,592,643</u>
Business-type activities:										
Net investment in capital assets	\$ 7,033,831	\$ 6,875,031	\$ 6,877,555	\$ 6,601,949	\$ 6,734,414	\$ 6,410,547	\$ 6,044,363	\$ 5,583,570	\$ 5,293,188	\$ 4,909,471
Unrestricted	<u>( 2,003,600)</u>	<u>( 1,542,092)</u>	<u>( 1,636,249)</u>	<u>( 842,457)</u>	<u>( 1,272,014)</u>	<u>( 2,608,315)</u>	<u>( 4,041,360)</u>	<u>( 3,746,696)</u>	<u>( 4,685,810)</u>	<u>( 6,548,934)</u>
Total business-type activities net position	<u>\$ 5,030,231</u>	<u>\$ 5,332,939</u>	<u>\$ 5,241,306</u>	<u>\$ 5,759,492</u>	<u>\$ 5,462,400</u>	<u>\$ 3,802,232</u>	<u>\$ 2,003,003</u>	<u>\$ 1,836,874</u>	<u>\$ 607,378</u>	<u>\$ ( 1,639,463)</u>
Primary government:										
Net investment in capital assets	\$ 20,667,316	\$ 19,533,952	\$ 21,743,854	\$ 27,779,375	\$ 38,783,405	\$ 36,043,845	\$ 44,343,700	\$ 52,083,443	\$ 52,922,640	\$ 52,939,481
Restricted	1,564,868	7,137,362	4,726,376	4,243,239	2,284,947	17,827,177	7,489,048	2,034,916	1,077,646	3,786,893
Unrestricted	<u>3,862,446</u>	<u>1,906,008</u>	<u>3,387,482</u>	<u>5,794,419</u>	<u>(2,182,991)</u>	<u>4,499,786</u>	<u>5,219,212</u>	<u>5,766,947</u>	<u>1,752,035</u>	<u>4,226,806</u>
Total primary government net position	<u>\$ 26,094,630</u>	<u>\$ 28,577,322</u>	<u>\$ 29,857,712</u>	<u>\$ 37,817,033</u>	<u>\$ 38,885,361</u>	<u>\$ 58,370,808</u>	<u>\$ 57,051,960</u>	<u>\$ 59,885,306</u>	<u>\$ 55,752,321</u>	<u>\$ 60,953,180</u>

Source: Annual financial reports

Town of Westlake  
Changes in Net Position  
Last Ten Years – Concluded  
Accrual Basis of Accounting – Unaudited

Exhibit S-2

	<i>Fiscal Year</i>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 2,272,127	\$ 2,478,826	\$ 2,518,490	\$ 2,606,785	\$ 2,784,587	\$ 3,145,716	\$ 4,491,557	\$ 5,716,302	\$ 4,776,131	\$ 6,091,403
Public Safety	1,698,164	1,801,585	1,883,424	1,978,803	2,190,050	2,381,437	2,737,084	3,063,003	3,133,733	3,489,071
Cultural and Recreation	105,997	122,400	111,765	113,924	123,541	129,970	187,274	217,489	184,685	299,815
Public Works	594,705	470,054	216,901	267,973	955,794	1,081,996	1,102,636	1,634,549	1,820,908	1,368,049
Economic Development	309,653	680,823	546,039	626,423	147,680	171,757	141,779	163,578	469,852	306,982
Visitor Services	420,270	356,365	475,719	521,521	493,087	665,936	740,835	737,071	885,654	927,670
Education	4,138,875	4,884,985	6,193,560	5,803,611	7,147,411	8,598,261	9,516,287	8,566,295	6,568,453	9,523,906
Interest on long-term debt	1,026,026	1,127,913	897,573	1,031,328	998,951	1,022,201	990,413	1,401,199	1,184,818	1,131,485
Total governmental activities expenses	<u>10,565,817</u>	<u>11,922,951</u>	<u>12,843,471</u>	<u>12,950,368</u>	<u>14,841,101</u>	<u>17,197,274</u>	<u>19,907,865</u>	<u>21,499,486</u>	<u>19,024,234</u>	<u>23,138,381</u>
Business-type activities:										
Water and Sewer	2,567,675	2,794,235	3,098,466	3,356,466	3,690,137	4,861,529	5,519,116	4,893,075	7,049,946	7,544,125
Cemetery	27,822	5,604	6,282	5,328	7,121	7,297	7,831	8,021	9,754	10,628
Total business-type activities expenses	<u>2,595,497</u>	<u>2,799,839</u>	<u>3,104,748</u>	<u>3,361,794</u>	<u>3,697,258</u>	<u>4,868,826</u>	<u>5,526,947</u>	<u>4,901,096</u>	<u>7,059,700</u>	<u>7,554,753</u>
Total primary government program expenses	<u>\$ 13,161,314</u>	<u>\$ 14,722,790</u>	<u>\$ 15,948,219</u>	<u>\$ 16,312,162</u>	<u>\$ 18,538,359</u>	<u>\$ 22,066,100</u>	<u>\$ 25,434,812</u>	<u>\$ 26,400,582</u>	<u>\$ 26,083,934</u>	<u>\$ 30,693,134</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Fees, fines, and charges for services:										
General Government	\$ 716,624	\$ 721,157	\$ 673,090	\$ 774,909	\$ 33,975	\$ 110,778	\$ 789,457	\$ 73,180	\$ 137,805	\$ 91,845
Public Safety	80,665	140,600	142,402	182,154	848,772	887,919	932,017	783,681	782,833	984,268
Public Works	1,597,655	292,572	407,328	659,246	1,022,769	936,245	1,789,776	3,338,541	2,027,613	5,419,039
Education	102,406	99,638	195,059	182,220	222,270	531,090	283,077	275,759	247,721	313,741
Operating grants and contributions	853,151	728,242	5,269,841	4,907,472	6,592,642	7,615,653	7,863,168	8,047,113	7,044,597	9,166,821
Capital grants and contributions	83,250	425,900	-	5,897,456	80,472	19,983,078	269,185	3,485,255	424,948	1,861,623
Total governmental activities program revenues	<u>3,433,751</u>	<u>2,408,109</u>	<u>6,687,720</u>	<u>12,603,457</u>	<u>8,800,900</u>	<u>30,064,763</u>	<u>11,926,680</u>	<u>16,003,529</u>	<u>10,665,517</u>	<u>17,837,337</u>
Business-type activities:										
Charges for services:										
Water and Sewer	2,101,510	3,078,868	2,934,842	3,157,332	3,428,702	3,549,775	3,968,086	4,815,635	5,794,818	5,374,118
Cemetery	5,550	13,300	4,500	5,510	7,749	13,620	11,115	9,964	29,440	30,745
Operating grants and contributions	46,810	-	24,423	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	50,000	1,271	54
Total business-type activities program revenues	<u>2,153,870</u>	<u>3,092,168</u>	<u>2,963,765</u>	<u>3,162,842</u>	<u>3,436,451</u>	<u>3,563,395</u>	<u>3,979,201</u>	<u>4,875,599</u>	<u>5,825,529</u>	<u>5,404,917</u>
Total primary government program revenues	<u>\$ 5,587,621</u>	<u>\$ 5,500,277</u>	<u>\$ 9,651,485</u>	<u>\$ 15,766,299</u>	<u>\$ 12,237,351</u>	<u>\$ 33,628,158</u>	<u>\$ 15,905,881</u>	<u>\$ 20,879,128</u>	<u>\$ 16,491,046</u>	<u>\$ 23,242,254</u>

Town of Westlake  
Changes in Net Position  
Last Ten Years – Concluded  
Accrual Basis of Accounting – Unaudited

Exhibit S-2

	<i>Fiscal Year</i>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>NET (EXPENSE) REVENUES</b>										
Governmental activities	\$( 7,132,066)	\$( 9,514,842)	\$( 6,155,751)	\$( 346,911)	\$( 6,040,201)	\$ 12,867,489	\$( 7,981,185)	\$( 7,981,185)	\$( 8,358,717)	\$( 5,301,044)
Business-type activities	( 441,627)	292,329	( 140,983)	( 198,952)	( 260,807)	( 1,305,431)	( 1,547,746)	( 1,547,746)	( 1,234,171)	( 2,149,836)
Total primary government net expense	<u>( 7,573,693)</u>	<u>( 9,222,513)</u>	<u>( 6,296,734)</u>	<u>( 545,863)</u>	<u>( 6,301,008)</u>	<u>11,562,058</u>	<u>( 9,528,931)</u>	<u>( 9,528,931)</u>	<u>( 9,592,888)</u>	<u>( 7,450,880)</u>
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes										
Sales	3,790,533	4,609,626	3,657,274	4,375,397	4,725,845	4,925,428	4,609,523	4,650,744	6,003,605	8,032,671
Property		1,260,112	1,441,238	1,366,633	1,367,069	1,438,969	1,476,355	1,576,750	1,629,640	1,956,630
Hotel Occupancy	457,693	527,261	590,853	709,578	796,481	872,179	822,490	751,601	849,167	861,710
Mixed Beverage	17,902	19,721	38,286	39,727	51,602	59,184	61,476	68,432	62,347	66,923
Franchise	603,233	586,836	664,991	734,935	795,322	963,040	930,043	818,423	779,506	964,239
Unrestricted grants and contributions	3,484,141	3,744,757	-	-	-	-	-	-	-	-
Investment earnings	38,383	46,248	33,353	24,218	26,713	28,904	55,600	182,095	356,076	517,128
Miscellaneous	676,638	691,345	1,112,858	1,023,149	246,633	198,199	241,501	278,071	215,076	142,230
Transfers	-	145,216	45,507	( 485,591)	43,399	323,100	264,578	169,316	71,466	207,213
Extraordinary item	-	56,704	( 124,346)	-	-	-	-	-	-	-
Special item	-	-	67,760	-	-	-	-	-	-	-
Gain on sale of capital assets	-	7,000	-	-	-	-	-	-	-	-
Total governmental activities	<u>9,068,523</u>	<u>11,694,826</u>	<u>7,527,774</u>	<u>7,788,046</u>	<u>8,053,064</u>	<u>8,809,003</u>	<u>8,461,566</u>	<u>8,495,432</u>	<u>9,966,883</u>	<u>12,748,744</u>
Business-type activities:										
Investment earnings	8,334	9,929	10,077	6,552	7,114	7,083	13,095	28,684	79,961	110,208
Miscellaneous	60,070	145,666	84,780	224,995	54	54	-	-	-	-
Transfers	-	( 145,216)	( 45,507)	485,591	( 43,399)	( 323,100)	( 264,578)	( 169,316)	( 71,466)	( 207,213)
Total business-type activities	<u>68,404</u>	<u>10,379</u>	<u>49,350</u>	<u>717,138</u>	<u>( 36,231)</u>	<u>( 315,963)</u>	<u>( 251,483)</u>	<u>( 140,632)</u>	<u>8,495</u>	<u>( 97,005)</u>
Total primary government	<u>9,136,927</u>	<u>11,705,205</u>	<u>7,577,124</u>	<u>8,505,184</u>	<u>8,016,833</u>	<u>8,493,040</u>	<u>8,210,083</u>	<u>8,354,800</u>	<u>9,975,378</u>	<u>12,651,739</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	1,936,457	2,179,984	1,372,023	7,441,135	2,012,863	21,676,492	480,381	514,247	1,608,166	7,447,700
Business-type activities	( 373,223)	302,708	( 91,633)	518,186	( 297,038)	( 1,621,394)	( 1,799,229)	( 1,688,378)	( 1,225,676)	( 2,246,841)
Total primary government	<u>\$ 1,563,234</u>	<u>\$ 2,482,692</u>	<u>\$ 1,280,390</u>	<u>\$ 7,959,321</u>	<u>\$ 1,715,825</u>	<u>\$ 20,055,098</u>	<u>\$( 1,318,848)</u>	<u>\$( 1,174,131)</u>	<u>\$ 382,490</u>	<u>\$ 5,200,859</u>

Source: Annual financial reports

Town of Westlake  
Fund Balances  
Governmental Funds  
Last Ten Years  
Modified Accrual Basis of Accounting – Unaudited

Exhibit S-3

	<i>Fiscal Year</i>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$ 214,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,578,235	-	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaid items	-	62,020	6,856	6,906	8,821	13,334	12,794	18,705	19,253	19,302
Restricted for:										
Court security and technology	-	186,776	192,768	194,422	193,082	203,173	238,636	219,693	203,173	237,804
Committed for:										
Future projects	-	219,687	49,941	74,941	80,442	80,442	335,322	335,392	80,442	80,442
Assigned for:										
Future equipment	-	22,000	22,000	24,000	-	-	-	-	-	-
Unassigned	-	3,524,911	4,992,240	6,751,362	7,671,173	7,383,601	9,092,721	10,363,702	10,493,380	14,900,650
Total general fund	<u>\$ 3,792,985</u>	<u>\$ 4,015,394</u>	<u>\$ 5,263,805</u>	<u>\$ 7,051,631</u>	<u>\$ 7,953,518</u>	<u>\$ 7,680,550</u>	<u>\$ 9,679,473</u>	<u>\$ 10,937,492</u>	<u>\$ 10,796,248</u>	<u>\$ 15,238,198</u>
All other governmental funds										
Reserved										
Special revenue funds	\$ 1,112,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,693,846	-	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaid items	-	33,511	60,963	62,635	80,118	83,359	68,718	243,401	56,397	196,074
Restricted for:										
Tourism	-	1,109,365	1,052,546	1,025,891	1,107,520	1,081,009	1,003,636	791,308	781,775	734,938
Future projects	-	4,647,863	3,594,379	10,370,914	1,751,405	13,632	13,679	13,789	14,141	14,543
Debt service	-	7,505	22,657	1,482	1,081	20,916	30,468	11,963	28,798	44,683
Education	-	885,365	758,127	931,094	993,998	1,592,227	1,098,359	729,709	1,068,117	1,323,663
Economic development	-	267,577	178,384	-	-	-	-	-	-	-
Capital projects funds	237,177	-	-	-	-	17,713,788	8,501,489	15,080,456	7,292,917	6,070,774
Total all other governmental funds	<u>\$ 4,043,964</u>	<u>\$ 6,951,186</u>	<u>\$ 5,667,056</u>	<u>\$ 12,392,016</u>	<u>\$ 3,934,122</u>	<u>\$ 20,504,931</u>	<u>\$ 10,716,349</u>	<u>\$ 16,870,626</u>	<u>\$ 9,242,145</u>	<u>\$ 8,384,675</u>

Note: Economic Development Funds were classified as special revenue funds through FY 2002 and considered discretely presented component units through FY 2007. Upon further consideration, the 4B Economic Development Corporation and Lone Star Public Facility Corporation funds are now classified as blended component units.

The Town implemented GASB Statement No. 54 in fiscal year 2011.

Source: Annual financial reports

Town of Westlake  
Changes in Fund Balances  
Governmental Funds  
Last Ten Years – Continued  
Modified Accrual Basis of Accounting – Unaudited

Exhibit S-4

	<i>Fiscal Year</i>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>REVENUES</b>										
Taxes	\$ 4,869,361	\$ 7,000,690	\$ 6,393,472	\$ 7,226,180	\$ 7,722,606	\$ 8,252,748	\$ 7,902,983	\$ 7,867,015	\$ 9,321,321	\$ 11,881,784
Licenses, fees and permits	1,746,954	530,646	598,394	944,735	1,175,075	1,200,790	2,715,236	3,521,686	2,314,933	5,873,529
Fines and penalties	647,170	605,705	622,338	695,167	730,441	734,152	796,014	673,716	633,318	616,451
State program revenues	3,687,706	3,945,658	4,369,635	4,696,540	5,269,641	6,173,418	6,543,782	6,603,358	7,217,383	7,415,219
Federal program revenues	199,436	337,508	152,351	81,958	80,103	87,797	98,564	140,152	114,797	110,248
Investment earnings	38,383	46,248	33,353	24,218	26,713	28,904	55,600	182,095	356,076	517,128
Contributions	533,400	-	732,535	5,916,014	82,446	18,785,953	283,684	728,887	494,131	1,253,200
Other revenues	779,044	980,816	1,323,237	1,274,826	1,665,003	2,471,191	1,542,835	2,863,801	1,735,201	1,804,309
Total revenues	<u>12,501,454</u>	<u>13,447,271</u>	<u>14,225,315</u>	<u>20,859,638</u>	<u>16,752,028</u>	<u>37,734,953</u>	<u>19,938,698</u>	<u>22,580,710</u>	<u>22,187,160</u>	<u>29,471,868</u>
<b>EXPENDITURES</b>										
General government	1,644,587	1,733,324	1,878,885	1,910,545	2,236,360	2,411,239	3,280,507	4,596,827	3,672,933	5,330,174
Public safety	1,634,936	1,842,751	2,224,469	1,967,584	2,146,587	2,490,551	2,453,857	2,684,244	2,992,727	3,269,778
Cultural and recreation	105,997	122,400	111,765	113,924	123,541	130,322	185,923	164,720	183,816	272,146
Public works	333,831	326,749	391,115	532,675	615,781	744,028	773,751	784,279	675,550	593,830
Economic development	401,879	706,391	243,939	296,565	147,685	171,757	141,779	163,578	469,852	306,982
Visitor services	420,270	356,365	475,719	521,521	493,082	670,157	725,971	717,055	875,322	904,689
Education	4,138,875	4,884,985	6,193,560	5,762,652	7,143,678	7,938,501	9,245,592	8,819,174	9,012,348	8,996,714
Capital Outlay	682,103	1,023,772	1,110,476	7,601,631	9,964,047	5,274,282	9,561,954	7,082,844	9,407,447	3,525,437
Capital Project										
Debt service										
Principal	563,703	555,000	668,000	2,955,000	1,004,677	1,130,762	1,150,490	1,124,697	1,555,677	1,766,131
Interest and other fiscal charges	977,163	1,083,377	952,027	830,425	1,116,489	977,412	947,411	1,105,376	1,182,679	1,128,720
Bond issuance cost	-	36,446	148,891	185,699	69,283	-	-	368,278	-	-
Total expenditures	<u>10,903,344</u>	<u>12,671,560</u>	<u>14,398,846</u>	<u>22,678,221</u>	<u>25,061,210</u>	<u>21,939,011</u>	<u>28,467,235</u>	<u>27,611,072</u>	<u>30,028,351</u>	<u>26,094,601</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>										
	\$ <u>1,598,110</u>	\$ <u>775,711</u>	\$ <u>(173,531)</u>	\$ <u>(1,818,583)</u>	\$ <u>(8,309,182)</u>	\$ <u>15,795,942</u>	\$ <u>(8,528,537)</u>	\$ <u>(5,030,362)</u>	\$ <u>(7,841,191)</u>	\$ <u>3,377,267</u>

Town of Westlake  
 Changes in Fund Balances  
 Governmental Funds  
 Last Ten Years – Continued  
 Modified Accrual Basis of Accounting – Unaudited

Exhibit S-4

	<i>Fiscal Year</i>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>OTHER FINANCING</b>										
<b>SOURCES (USES):</b>										
Proceeds from sale of land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of assets	-	7,000	-	-	-	-	-	1,200,000	-	-
Issuance of debt	-	2,095,000	-	8,294,800	-	-	-	-	-	-
Premium on CO issued	-	-	-	284,437	-	-	-	-	-	-
Refunding bonds issued	-	-	7,799,196	2,200,000	1,910,000	-	-	5,795,000	-	-
Premium on refunding bonds issued	-	-	-	37,723	84,598	-	-	1,020,809	-	-
Payments to bond escrow agent	-	-	( 7,650,305)	-	(1,925,315)	-	-	( 6,452,467)	-	-
Issuance of capital lease	-	-	-	-	239,009	16,740	474,300	-	-	-
Notes payable issued	-	50,000	-	-	401,484	162,059	-	-	-	-
Certificate of obligations issued	-	-	-	-	-	-	-	10,710,000	-	-
Special item	-	-	67,760	40,959	-	-	-	-	-	-
Extraordinary item	-	56,704	( 124,346)	( 40,959)	-	-	-	-	-	-
Transfers in	1,804,577	7,082,163	2,121,099	2,104,929	3,094,211	4,617,896	2,485,227	3,621,066	3,949,085	3,902,325
Transfers out	( 1,804,577)	( 6,936,947)	( 2,075,592)	( 2,590,520)	(3,050,812)	(4,294,796)	(2,220,649)	(3,451,750)	(3,877,619)	(3,695,112)
Total other financing sources (uses)	-	2,353,920	137,812	10,331,369	753,175	501,899	738,878	12,442,658	71,466	207,213
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ 1,598,110</u>	<u>\$ 3,129,631</u>	<u>\$ ( 35,719)</u>	<u>\$ 8,512,786</u>	<u>\$ ( 7,556,007)</u>	<u>\$ 16,297,841</u>	<u>\$ ( 7,789,659)</u>	<u>\$ 7,412,296</u>	<u>\$ ( 7,769,725)</u>	<u>\$ 3,584,480</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<u>15.0%</u>	<u>14.1%</u>	<u>12.5%</u>	<u>25.3%</u>	<u>14.4%</u>	<u>12.8%</u>	<u>11.1%</u>	<u>12.4%</u>	<u>12.9%</u>	<u>13.0%</u>

Note: Economic Development Funds were classified as special revenue funds through FY 2002 and considered discretely presented component units through FY 2007. Upon further consideration, the 4B Economic Development Corporation and Lone Star Public Facility Corporation funds are now classified as blended component units.

Source: Annual Financial Reports

**Town of Westlake**

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

**Exhibit S-5**

<b>Fiscal Year</b>	<b>Appraised Value</b>		<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>			
2011	\$ 951,070,355	\$ 70,569,170	\$ 143,856,142	\$ 877,783,383	0.15684
2012	1,016,474,604	85,329,823	156,315,552	945,488,875	0.15684
2013	1,099,249,031	122,792,343	335,814,215	886,227,159	0.15684
2014	1,091,142,760	151,927,427	346,730,543	896,339,644	0.15634
2015	1,123,354,430	139,936,507	342,248,275	921,042,662	0.15634
2016	1,175,230,336	107,537,466	336,770,136	945,997,666	0.15634
2017	1,468,274,115	132,422,540	437,293,366	1,163,403,289	0.13695
2018	1,517,833,356	133,680,163	442,433,216	1,209,080,303	0.13615
2019	1,558,408,769	139,762,420	400,628,631	1,297,542,558	0.15600

Note: No ad valorem taxes were assessed by the Town of Westlake prior to the fiscal year ended September 30, 2011.

Source: Tarrant County Appraisal District  
 Denton Central Appraisal District

**Town of Westlake**  
Principal Property Tax Payers  
Current and Eight Years Ago – Unaudited

**Exhibit S-6**

2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
BRE Solana LLC	\$ 124,718,219	1	10.72%
FMR Texas, LLC/LTD Partnership	78,082,415	2	6.71%
Dallas MTA LP	59,605,600	3	5.12%
DCLI, LLC	49,448,146	4	4.25%
HMC Solana LLC	36,105,320	5	3.10%
Lexington TNI Westlake LP	17,700,814	6	1.52%
Maguire Parthers-Solana Land LP	17,551,836	7	1.51%
Fidelity Investments	10,763,028	8	0.93%
Marsh USA Inc	9,500,963	9	0.82%
Quail Hollow Development II LLC	8,242,111	10	0.71%
Total	\$ 411,718,452		35.38%

2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Maguire Thomas Partners, etal	\$ 116,839,380	1	13.31%
FMR Texas, LLC/LTD Partnership	148,569,643	2	16.93%
Maguire Partners	39,117,985	3	4.46%
Lexington TNI Westlake LP	18,249,200	4	2.08%
First American Leasing/Real Estate	17,636,457	5	2.01%
DCLI, LLC	13,234,691	6	1.51%
Fidelity Investments	12,277,810	7	1.40%
Levi Strauss & Co.	8,215,271	8	0.94%
Westlake Terra, LLC	7,400,002	9	0.84%
EMC Corp	6,418,484	10	0.73%
Total	\$ 387,958,923		44.21%

Source: Tarrant County Appraisal District

- Note: (1) Prior to fiscal year ended September 30, 2011, the Town of Westlake did not assess an ad valorem tax.  
 (2) Total Taxable Assessed Value including real and personal property for tax year 2010 (fiscal year 2011) is \$877,783,383.  
 (3) Total Taxable Assessed Value including real and personal property for tax year 2018 (fiscal year 2019) is \$1,297,542,558.

**Town of Westlake**  
Property Tax Levies and Collections  
Last Nine Fiscal Years – Unaudited

**Exhibit S-7**

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		Collections Net of Refunds in Subsequent Years	Total Collections to Date	
				Amount	Percent of Levy		Amount	Percentage of Levy
2011	\$ 1,409,956	\$ 47,560	\$ 1,362,396	\$ 1,356,050	99.53%	\$ 4,136	\$ 1,360,186	99.84%
2012	1,486,968	45,693	1,441,275	1,437,908	99.77%	3,367	1,441,275	100.00%
2013	1,398,777	43,314	1,355,463	1,352,097	99.75%	3,366	1,355,463	100.00%
2014	1,405,819	44,761	1,361,058	1,350,639	99.23%	10,182	1,360,821	99.98%
2015	1,450,674	43,948	1,406,726	1,405,148	99.89%	1,179	1,406,327	99.97%
2016	1,482,989	40,244	1,442,745	1,441,536	99.92%	1,052	1,442,588	99.99%
2017	1,573,803	11,749	1,562,054	1,536,921	98.39%	25,133	1,562,054	100.00%
2018	1,661,110	30,810	1,630,300	1,624,655	99.65%	(8,127)	1,616,528	99.16%
2019	2,007,359	31,840	1,975,519	1,953,575	98.89%	-	1,953,575	98.89%

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

Source: Tarrant County Appraisal District  
Denton Central Appraisal District

# Town of Westlake

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

Fiscal Year	City Direct Rates			Overlapping Rates								
	Operating/ General Fund	Debt Service Fund	Total (A) Direct	School Districts			Counties		Tarrant County College Dist	Tarrant County Hospital Dist.	Trophy Club MUD #1	Total Direct and Overlapping
				Carroll ISD	Northwest ISD	Keller ISD	Denton County	Tarrant County				
2011	0.15620	0.00390	0.16010	1.41500	1.37500	1.53060	0.27736	0.26400	0.13764	0.22790	0.19500	5.58260
2012	0.13835	0.01849	0.15684	1.41500	1.37500	1.54000	0.28287	0.26400	0.14897	0.22790	0.17500	5.58557
2013	0.14197	0.01487	0.15684	1.40000	1.37500	1.54000	0.28287	0.26400	0.14897	0.22790	0.13339	5.52896
2014	0.13710	0.01924	0.15634	1.40000	1.45250	1.54000	0.27220	0.26400	0.14950	0.22790	0.13339	5.59583
2015	0.13710	0.01924	0.15634	1.40000	1.45250	1.54000	0.27220	0.26400	0.14950	0.22790	0.13339	5.59583
2016	0.13947	0.01687	0.15634	1.40000	1.45250	1.54000	0.27220	0.26400	0.14950	0.22790	0.13339	5.59583
2017	0.12882	0.00813	0.13695	1.39000	1.45250	1.52000	0.24841	0.25400	0.14473	0.22790	0.12722	5.50171
2018	0.11133	0.02482	0.13615	1.38500	1.49000	1.52000	0.23781	0.24400	0.14006	0.22443	0.12021	5.49766
2019	0.13201	0.02399	0.15600	1.38000	1.49000	1.51000	0.22557	0.02340	0.13607	0.22443	0.11618	5.26165

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

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

Source: Tarrant County Appraisal District  
 Denton Central Appraisal District

Town of Westlake  
 Taxable Sales by Industry Type  
 Last Ten Fiscal Years – Unaudited

Exhibit S-9

NAICS	Industry Type	Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
11	Agriculture, Forestry, Fishing and Hunting	\$ -	\$ 60	\$ 38	\$ 163	\$ 731	\$ 775	\$ 2,083	\$ 1,685	\$ 4,303	\$ 336
21	Mining	400	4,260	3,050	335	15	714	655	128	5	-
22	Utilities	178,693	180,032	171,131	176,622	204,280	191,031	138,331	147,000	180,564	183,347
23	Construction	68,306	132,780	139,000	365,049	239,888	216,546	230,067	340,077	1,294,092	2,249,378
31-33	Manufacturing	386,492	402,062	526,755	295,660	375,905	234,651	209,128	86,798	113,487	284,939
42	Wholesale Trade	105,557	145,631	134,466	59,571	421,371	515,602	356,946	339,854	278,054	533,723
44-45	Retail	1,097,007	707,553	1,106,427	1,132,811	962,244	1,332,659	415,356	458,833	428,355	523,021
48-49	Transportation and Warehousing	556	316	1,156	3,662	1,962	3,550	1,107	1,133	567	624
51	Information	423,834	508,609	367,298	378,221	623,828	567,685	551,172	387,714	817,086	793,755
52	Financial and Insurance	87,188	73,455	27,857	75,529	505,585	295,622	754,386	509,201	709,787	835,150
53	Real Estate and Rental and Leasing	327,207	210,158	215,754	457,693	493,570	708,747	940,971	999,118	675,273	928,259
54	Professional, Scientific, and Technical Services	202,263	231,526	221,331	536,971	242,069	193,145	287,066	261,704	309,704	519,447
56	Admin and Support and Waste Mgmt & Rem Srv	39,539	65,045	39,027	110,686	103,340	50,264	125,033	85,430	93,967	98,927
61	Education Services	619,228	1,675,351	356,689	373,117	153,279	201,761	230,775	220,078	555,159	577,530
62	Health Care and Social Assistance	-	170	106	251	11,018	2,887	228	398	999	592
71	Arts, Entertainment and Recreation	158,996	206,050	204,456	184,687	191,343	189,027	201,391	241,107	216,403	266,915
72	Accommodation and Food Services	140,996	175,938	93,123	204,044	221,061	246,755	230,615	233,769	228,003	226,361
81	Other Services (except Public Administration)	4,462	4,632	9,805	13,156	17,412	8,965	3,167	2,963	2,772	2,329
92	Public Administration	11	1	135	295	27,243	-	-	1	1,391	1,656
		<u>\$ 3,840,735</u>	<u>\$ 4,723,629</u>	<u>\$ 3,617,604</u>	<u>\$ 4,368,523</u>	<u>\$ 4,796,144</u>	<u>\$ 4,960,386</u>	<u>\$ 4,678,477</u>	<u>\$ 4,316,991</u>	<u>\$ 5,909,966</u>	<u>\$ 8,026,289</u>
	Town direct sales tax rate	<u>2.00%</u>									

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

Source: Texas State Comptroller reports

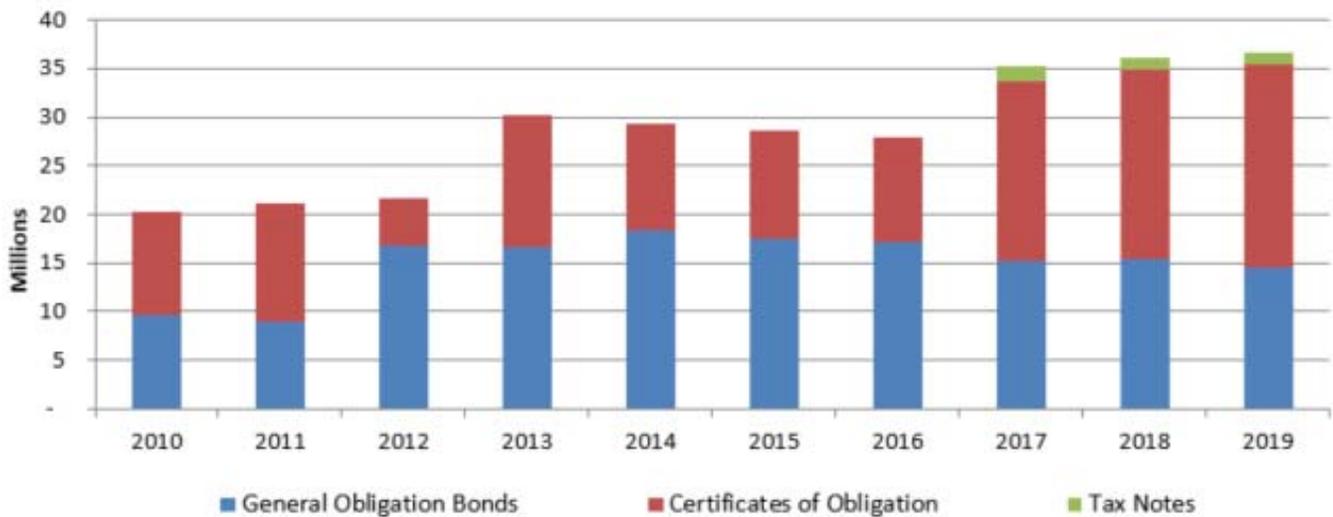
**Town of Westlake**  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years – Unaudited

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Sales	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2010	\$ 9,630,000	\$ 10,555,000	\$ -	\$ 20,185,000	10.65%	20,348
2011	8,962,656	12,210,000	-	21,172,656	9.19%	19,918
2012	16,770,000	4,877,000	-	21,647,000	11.84%	19,519
2013	16,590,000	13,622,000	-	30,212,000	13.81%	26,271
2014	18,260,000	11,044,000	-	29,304,000	12.40%	24,750
2015	17,480,000	11,046,131	-	28,526,131	11.58%	22,409
2016	17,091,659	10,739,306	-	27,830,965	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

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

There was no debt issued until fiscal year 2002.

See Table 13 for personal income and population data.

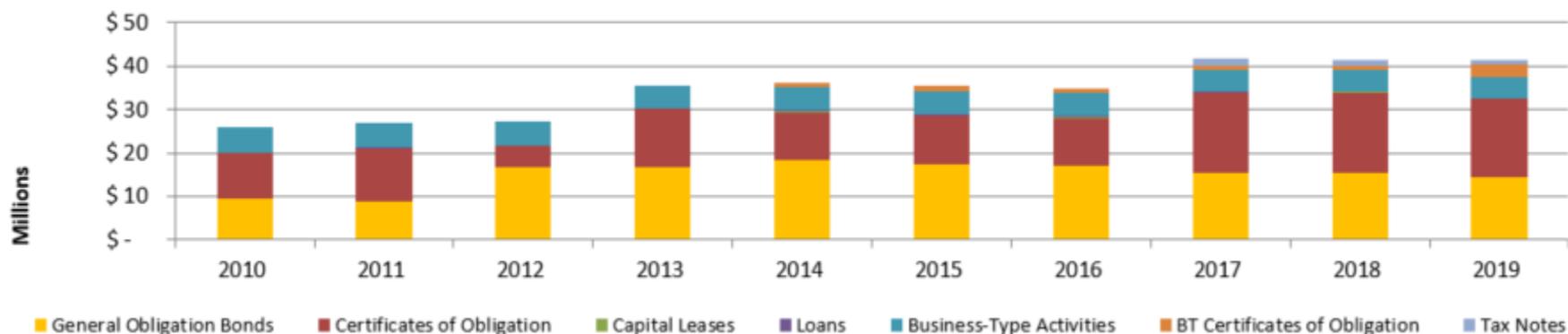


**Town of Westlake**  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years – Unaudited

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Capital Leases	Loans	Other Contractual Obligations	Certificates of Obligation			
2010	\$ 9,630,000	\$ 10,555,000	\$ -	\$ -	\$ -	\$ 5,658,888	\$ -	\$ 25,843,888	21%	26,052
2011	8,962,656	12,210,000	-	-	50,000	5,580,380	-	26,803,036	23%	25,215
2012	16,770,000	4,877,000	-	-	34,075	5,498,668	-	27,179,743	20%	24,508
2013	16,590,000	13,622,000	-	-	18,150	5,412,149	-	35,642,299	24%	25,576
2014	18,260,000	10,029,800	-	237,378	437,253	5,320,824	1,014,200	35,299,455	22%	32,150
2015	17,480,000	9,759,250	-	154,347	357,041	5,226,294	1,286,881	34,263,813	23%	29,812
2016	17,091,659	9,736,953	-	563,045	275,101	5,126,958	971,300	33,765,016	19%	24,361
2017	15,267,000	18,460,700	1,530,000	162,004	238,404	5,156,839	949,300	41,764,247	20%	28,308
2018	15,457,018	18,432,779	1,328,000	162,004	201,737	4,913,865	956,009	41,451,412	21%	28,765
2019	14,504,400	17,930,135	1,116,000	-	165,050	4,800,109	3,027,287	41,542,981	20%	28,765

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

See Table 13 for personal income and population data.



**Town of Westlake**

Direct and Overlapping Governmental Activities Debt  
As of September 30, 2019 –Unaudited

**Exhibit S-12**

<u>Taxing Body</u>	<u>Amount of Debt Outstanding</u>	<u>As of</u>	<u>Overlapping</u>	
			<u>Percent (1)</u>	<u>Amount</u>
Carroll ISD	\$ 306,677,164	9/30/2019	5.94%	\$ 18,216,624
Denton County	590,380,000	9/30/2019	0.08%	472,304
Keller ISD	649,855,320	9/30/2019	4.09%	26,579,083
Northwest ISD	934,245,475	9/30/2019	1.90%	17,750,664
Tarrant County	266,374,000	9/30/2019	0.71%	1,891,255
Tarrant County Hospital District	17,735,000	9/30/2019	0.71%	125,919
Trophy Club MUD#1	7,970,000	9/30/2019	18.64%	<u>1,485,608</u>
Total Overlapping Debt				66,521,456
Town of Westlake Outstanding Debt				<u>33,715,585</u>
Total Direct & Overlapping Debt				<u>\$ 100,237,041</u>

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

Note:

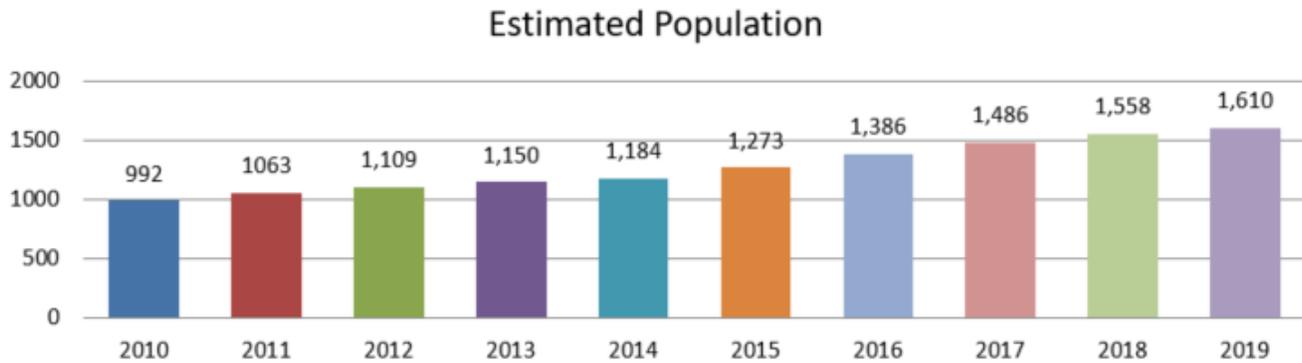
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Westlake. This process recognized that,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

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the entity's taxable assessed value that is within the Town's boundaries and dividing it by the entities' total taxable assessed value.

**Town of Westlake**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years – Unaudited

<b>Calendar Year</b>	<b>Estimated Population</b>	<b>Personal Income</b>	<b>Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2010	992	\$ 121,431	\$ 120,459,552	39.8	491	7.9%
2011	1063	110,487	117,447,681	41.5	530	6.2%
2012	1,109	112,697	138,423,531	41.8	630	6.0%
2013	1,150	114,951	147,292,890	41.4	658	5.0%
2014	1,184	117,250	160,462,095	41.2	697	4.0%
2015	1,273	119,595	144,111,592	41.8	812	4.1%
2016	1,386	121,987	173,419,076	41.7	825	3.2%
2017	1,486	124,427	162,998,462	41.5	830	3.4%
2018	1,558	126,915	197,733,767	41.2	856	3.4%
2019	1,610	129,453	208,420,020	41.2	869	3.1%

Sources: Tarrant County Unemployment Rate information taken from Texas Workforce Commission.  
 Municipal Advisory Council of Texas - Population  
 USA.com - Per Capita Income source  
 North Central Texas Council of Governments  
 United States Census - Median Age



**Town of Westlake**  
Principal Employers  
Current and Ten Years Ago – Unaudited

**Exhibit S-14**

<b>2019</b>		
<b>Employer</b>	<b>Employees</b>	<b>Percentage of Estimated Total Town Employment</b>
Fidelity Investments	5,400	38.08%
Schwab	3,500	24.68%
Travelocity	800	5.64%
Wells Fargo	617	4.35%
Deloitte	501	3.53%
Sabre JLL Facilities	500	3.53%
Core-Mark	374	2.64%
Solera	330	2.33%
Goosehead Insurance	239	1.69%
Verizon Wireless	179	1.26%
Sound Physicians	173	1.22%
Marriott	143	1.01%
Town of Westlake/Westlake Academy	140	0.99%
All Other Businesses	1,285	9.06%
<b>Total</b>	<b>14,181</b>	<b>100%</b>

<b>2009</b>		
<b>Employer</b>	<b>Employees</b>	<b>Percentage of Estimated Total Town Employment</b>
Fidelity Investments	2,477	38.21%
First American Real Estate Solutions	2,000	25.56%
Chrysler Financial	850	14.20%
Wells Fargo	500	5.68%
McKesson	204	3.05%
Walco/Animal Health	150	2.22%
Marriott Solana Hotel	131	2.13%
Vaquero Country Club	123	2.06%
Levi Strauss	83	1.87%
Town of Westlake/Westlake Academy	83	1.31%
Solana Club	59	1.09%
Pfizer, Inc.	50	0.71%
Solara Health	34	0.43%
Solara Health	298	1.48%
<b>Total</b>	<b>7,042</b>	<b>100%</b>

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

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

**Exhibit S-15**

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Town manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Town Manager	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Assistant Town Manager	0.00	0.00	0.00	0.75	0.90	1.00	0.90	1.00	1.00	1.00
Assistant to Town Manager	1.00	1.00	0.75	0.00	0.00	0.00	0.50	0.50	0.75	0.00
Administrative	0.50	0.75	0.75	1.00	0.50	0.50	0.00	1.50	1.00	1.00
Building official	1.33	1.33	1.33	1.50	1.66	1.66	3.17	4.00	4.00	4.00
Town secretary	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.50	1.50	1.50
Facilities/Grounds maintenance	1.08	1.08	0.83	1.00	1.09	1.34	1.58	0.50	1.75	1.00
Municipal	4.50	4.50	3.75	4.75	5.10	5.00	4.60	4.00	3.50	4.25
Finance	3.00	3.00	3.00	3.00	4.00	4.00	4.25	4.00	4.00	4.00
Payroll/Human Resources	1.33	1.33	1.33	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Information Technology	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	2.00	2.00
Public safety (EMS)	9.00	9.00	9.00	10.00	13.25	14.25	14.25	11.00	15.50	15.50
Culture and recreation	0.75	0.75	0.50	0.75	0.84	0.84	0.84	0.50	0.50	1.00
Public works	1.50	1.50	2.00	3.00	2.66	2.66	2.67	3.00	4.00	4.00
Marketing and public affairs	0.00	0.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Education	55.62	59.44	67.48	76.18	91.18	93.65	95.31	95.05	98.00	95.00
Total	81.61	85.68	93.72	106.93	128.18	132.15	135.32	132.55	142.50	140.25

Source: Prior Town budgets and Academy personnel records

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

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Permits issued	44	70	85	132	144	159	218	217	259	250
Permit values	\$ 190,388,737	\$ 21,173,592	\$ 29,481,047	\$ 50,544,048	\$ 59,358,904	\$ 80,011,354	\$ 87,307,794	\$ 262,690,940	\$ 311,013,915	\$ 332,197,798
Police (Contract with Keller PD)										
Motor vehicle stops	9,763	9,829	12,221	9,993	9,579	10,432	11,109	10,718	8,339	7,729
Traffic accident investigations	273	348	343	322	341	398	461	386	333	327
Part I crimes	19	30	39	9	15	20	13	22	31	14
DWI arrests	32	80	50	69	55	62	66	70	50	25
Fire/EMS										
Fire runs	172	191	181	238	211	211	257	248	320	235
Ambulance runs	187	264	266	286	240	253	288	269	202	206
Inspections	71	71	54	96	286	261	246	290	188	227
Public Works - General										
Street resurfacing (LF)	-	3,800	30,000	-	-	-	-	6,000	-	-
Potholes repaired	5	36	6	2	6	20	20	10	5	8
Public Works - Utility										
Number of water accounts	478	500	568	614	651	713	752	810	835	762
Water main breaks	6	4	4	3	1	1	-	-	1	2
Avg daily consumption MG (water)	0.889	1.200	1.100	1.090	1.045	1.021	1.122	1.233	1.400	1,209
Peak daily consumption MG (water)	2.460	2.540	2.600	2.480	2.690	2.770	1.586	1.646	1.564	2,709
System capacity - MG (water)	1.685	1.685	1.685	1.685	2.685	2.685	2.685	2.685	2.685	2,685
Water purchased (in gallons x000)	324,843	443,222	407,305	401,457	381,482	372,838	409,817	450,208	510,931	441,352
Water sold (in gallons x 1000)	290,000	385,320	376,496	357,297	347,148	360,000	350,000	419,520	470,168	422,635
Wastewater										
Number of new sewer connections	254	245	292	325	350	384	403	454	503	541
Avg daily sewage treatment (thousands of gallons)	0.063	0.163	0.136	0.151	0.208	0.166	0.132	0.176	1.171	1.171

Source: Various Town departments

Notes: N/A represents information that is unavailable.

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

Exhibit S-17

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works - Utility										
Pump station	1	1	1	1	1	1	1	1	1	1
Lift station	3	3	3	3	3	3	3	3	3	3
Telecommunications Duct Bank (LF)	51,803	57,783	57,783	57,783	59,936	66,084	66,084	82,231	82,231	82,231
Telecommunications Duct Bank Manholes	122	122	122	122	122	140	140	140	140	140
Water										
Water mains (LF)	79,000	130,000	137,891	137,891	142,694	148,117	148,117	181,393	181,393	181,393
Fire hydrants	154	188	191	191	201	214	214	256	256	256
Storage capacity MG	1,685	1,685	1,685	1,685	2,685	2,685	2,685	2,685	2,685	2,685
Wastewater										
Sanitary sewers (LF)	49,900	94,000	94,000	94,000	98,964	104,373	104,373	123,168	123,168	123,168
Manholes	304	304	304	304	326	355	355	444	444	444
Public Works - Utility										
Streets (miles)	10.80	10.80	10.25	10.25	10.25	10.50	10.42	10.42	10.42	10.84
Traffic signals (school zone flashers)	2	2	2	2	2	2	2.0	2.0	2.0	2.0
Parks and recreation										
Open Space (acres)	25	25	25	25	27	27	27.0	27.0	27.0	27.0
Playgrounds	2	2	2	2	2	2.0	2.0	2.0	2.0	2.0
Softball/soccer field	1	1	1	1	1	1.0	1.0	1.0	1.0	1.0
Football field	1	1	1	1	1	1.0	1.0	1.0	1.0	1.0
Public trails (miles)	3.5	5.0	5.0	5.0	7.0	8.5	8.5	8.5	15.0	16.0

Source: Various Town departments

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

Note: The amount of roads decreased in FY 2011-2012 due to a portion of road being dedicated to TxDot