

ANNUAL FINANCIAL REPORT
OF THE
CITY OF WESTWORTH VILLAGE, TEXAS

FOR

FISCAL YEAR ENDED

SEPTEMBER 30, 2023



Westworth Village

**CITY OF WESTWORTH VILLAGE, TEXAS
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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Westworth Village

INTRODUCTORY SECTION

CITY OF WESTWORTH VILLAGE, TEXAS

City Council

For the Year Ended September 30, 2023

L. Kelly Jones	Mayor
Phillip Poole	Place 1
Michael Dingman	Place 2
Brian Libbey	Place 3
Robert Fitzgerald	Place 4
Halden Griffith	Place 5
Brandy G. Barrett	City Administrator/ City Secretary
Kevin C. Reaves	Chief of Police

FINANCIAL SECTION

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward, CPA
266 RCR 1397
Point, Texas 75472

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Westworth Village, Texas
311 Burton Hill Road
Westworth Village, Texas 76114

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Westworth Village, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Westworth Village, Texas' basic financial statements as listed in the table of contents.

In my 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 unit, each major fund, and the aggregate remaining fund information of the City of Westworth Village, Texas as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Westworth Village, Texas, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Westworth Village, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions.

Reasonable assurance is a high level of assurance but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement that basis financial statements. Such information is the responsibility of management and, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Westworth Village, Texas' basic financial statements. The individual component unit financial statements are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

Respectfully Submitted,

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas

April 9, 2024

CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

As management of the City of Westworth Village ("City"), we offer the readers of the City of Westworth Village's financial statements this narrative overview and analysis of the financial activities of the City of Westworth Village for year ended September 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows/outflows at the close of the fiscal year by \$26,015,232 (net position). Of this amount, \$14,045,411, or 54%, is investment in capital assets, \$2,582,651, or 9.93%, is restricted for redevelopment, street improvements, and debt service. The remaining net position of \$9,387,170, or 36%, may be used to meet the City's ongoing obligations to its citizens and creditors in accordance with the City's fund designation and policies.
- The City's total net position increased \$1,666,799.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$9,988,703. This represents an increase of \$1,949,362 in net fund balance.
- As of the close of the current fiscal year, the unassigned fund balance for the General Fund was \$7,406,052 which was approximately 228% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Westworth Village's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Basic Financial Statements

The first two statements (pages 18 - 20) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 21 - 27) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

The next section of the basic financial statements is the **notes** on pages 28 - 43. The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety and general administration. Property and sales taxes finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the utility services offered by the City.

The government-wide financial statements are on pages 18 - 20 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what funds are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship

**CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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 government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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 City adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule is presented using the same format, language, and classifications as the legal budget document. The schedule shows four columns: 1) the original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – The City has one type of proprietary fund which is the Water and Sewer Fund. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary Funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 21 - 27 of this report.

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 are on pages 28 – 43 of this report.

**CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 11,600,076	\$ 11,596,848	\$ 3,241,700	\$ 3,114,764	\$ 14,841,776	\$ 14,711,612
Capital assets	14,971,817	15,489,335	6,495,387	6,420,328	21,467,204	21,909,663
Total assets	26,571,893	27,086,183	9,737,087	9,535,092	36,308,980	36,621,275
Deferred outflow of resources	662,905	211,046	270,410	71,132	933,315	282,178
Current liabilities	1,298,692	2,956,195	1,458,457	882,886	2,757,149	3,839,081
Long-term liabilities	7,413,648	7,825,790	634,554	248,211	8,048,202	8,074,001
Total liabilities	8,712,340	10,781,985	2,093,011	1,131,097	10,805,351	11,913,082
Deferred inflows of resources	292,648	445,476	129,064	196,464	421,712	641,940
Total deferred inflows	292,648	445,476	129,064	196,464	421,712	641,940
Net position:						
Net investment in capital assets	7,992,486	7,809,971	6,052,925	6,237,243	14,045,411	14,047,214
Restricted	2,582,651	1,633,697	-	-	2,582,651	1,633,697
Unrestricted	7,654,673	6,626,100	1,732,497	2,041,420	9,387,170	8,667,520
Total net position	\$ 18,229,810	\$ 16,069,768	\$ 7,785,422	\$ 8,278,663	\$ 26,015,232	\$ 24,348,431

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the City exceeded liabilities by \$26,015,232 as of September 30, 2023. The City's net position increased by \$1,666,799 for the fiscal year ended September 30, 2023

Net investment in capital assets:

The City's net position of net investment in capital assets of, \$14,045,411, or 54%, reflects the City's investment in capital assets (e.g. land, buildings, infrastructure, and equipment) less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities

Restricted net position:

The restricted net position of \$2,582,651, or 9.93%, of total net position represents resources that are subject to external restrictions on their use, or by enabling legislation. Restricted net position is comprised of state imposed restrictions for redevelopment use, \$623,335, or 24.1%, and \$886,423, or 34.3%, for streets, and \$429,308 for debt service.

Unrestricted net position:

Unrestricted net position of \$9,387,170 or, 36%, is available to fund the City programs and obligations to its citizens and creditors.

CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023

Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 620,493	\$ 608,794	\$ 4,049,772	\$ 3,703,804	\$ 4,670,265	\$ 4,312,598
Capital grants and contributions	130,401	146,636	-	-	130,401	146,636
Operating grants and contributions	-	-	-	-	-	-
General revenues:						
Property tax	2,074,674	1,655,957	-	-	2,074,674	1,655,957
Sales tax	2,294,669	2,165,581	-	-	2,294,669	2,165,581
Franchise tax	295,051	283,018	-	-	295,051	283,018
Royalties	362,139	757,256	-	-	362,139	757,256
Investment income	378,481	26,351	5,880	596	384,361	26,947
Miscellaneous	370,373	424,567	19,007	5,074	389,380	429,641
Total revenues	6,526,281	6,068,160	4,074,659	3,709,474	10,600,940	9,777,634
Expenses:						
Program expenses						
General government	\$ 1,536,063	\$ 1,421,848	\$ -	\$ -	\$ 1,536,063	\$ 1,421,848
Judicial	165,838	119,678	-	-	165,838	119,678
Public safety	1,844,935	1,672,312	-	-	1,844,935	1,672,312
Public works	436,746	484,614	-	-	436,746	484,614
Culture and recreation	266	205	-	-	266	205
Redevelopment	294,506	352,690	-	-	294,506	352,690
Interest on long-term debt	197,600	367,088	-	-	197,600	367,088
Water and sewer	-	-	2,219,341	1,571,378	2,219,341	1,571,378
Gold course	-	-	2,238,843	1,817,328	2,238,843	1,817,328
Total expenses	4,475,954	4,418,435	4,458,184	3,388,706	8,934,138	7,807,141
Change in net assets before other						
Financing sources (uses)	2,050,327	1,649,725	(383,525)	320,768	1,666,802	1,970,493
Other financing sources (uses):						
Transfers	109,715	(799,990)	(109,715)	799,990	-	-
Total other financing sources (uses)	109,715	(799,990)	(109,715)	799,990	-	-
Total change in net position	2,160,042	849,735	(493,240)	1,120,758	1,666,802	1,970,493
Net position - October 1	16,069,768	14,965,809	8,278,662	7,138,323	24,348,430	22,104,132
Prior period adjustments	-	254,224	-	19,582	-	273,806
Net position - September 30	\$ 18,229,810	\$ 16,069,768	\$ 7,785,422	\$ 8,278,663	\$26,015,232	\$ 24,348,431

**CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Financial Analysis of the City's Funds

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

Governmental Funds - The focus of the City's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2023, the City's governmental funds reported total fund balances of \$9,988,703, a 24.25% increase comparison with the prior year's total ending fund balance. The components of total fund balance as follows:

- Restricted fund balances of \$1,977,885, or 19.8%, of total fund balance consists of amounts restricted by external laws or contractual obligations. These are as follows:
 - \$623,335, or 31.5%, for redevelopment use;
 - \$468,127, or 23.67%, for debt service;
 - \$886,423, or 44.8% for streets.
- Assigned fund balance of \$604,766, or 6.05%, of total fund balance, is for capital projects.
- Unassigned fund balance of \$7,406,052, or 74.1%, of total fund balance, represents the residual available balance that has not been restricted, committed, or assigned by management, City Council, or otherwise.

General Fund - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$7,406,052, compared to \$5,857,437 at the end of the prior fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 228% of total General Fund expenditures.

General Fund Budgetary Highlights: Generally, budget amendments fall into one of three categories: (1) amendments made to adjust estimates that are used to prepare the original budget ordinance once exact information is available, (2) amendments made to recognize new funding sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services. During the fiscal year, the City revised the original adopted budget.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to \$1,732,497.

**CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2023**

Capital Asset and Debt Administration

Capital assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, totals \$21,467,204 (net of accumulated depreciation). These assets include land, buildings and improvements, infrastructure, vehicles and equipment. The total increase in capital assets for the current fiscal year was approximately 3.3%.

**Capital Assets
September 30, 2023
(net of accumulated depreciation)**

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 644,158	\$ 644,158	\$ 2,097,881	\$ 2,097,881	\$ 2,742,039	\$ 2,742,039
Buildings & Improvements	3,558,342	3,662,905	348,075	2,785,534	3,906,417	6,448,439
Golf course				-		
Infrastructure	8,286,322	8,677,377	3,502,749	1,360,837	11,789,071	10,038,214
Machinery & Equipment	36,251	58,151	526,682	156,076	562,933	214,227
Construction in Progress	2,446,744	2,446,744	20,000	20,000	2,466,744	2,466,744
Total	\$ 14,971,817	\$ 15,489,335	\$ 6,495,387	\$ 6,420,328	\$ 21,467,204	\$ 21,909,663

More detailed information about the City's capital assets is presented in Note G to the financial statements

Long-Term Debt - As of September 30, 2023, the City had outstanding long-term debt in the amount of \$7,421,793, a decrease of \$440,656.

**Outstanding Debt
As of September 30, 2023**

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Capital Leases Payable	\$ -	\$ -	\$ 442,462	\$ 183,085	\$ 442,462	\$ 183,085
Bonds Payable	\$ 6,979,331	\$ 7,679,364	\$ -	\$ -	6,979,331	7,679,364
Total	\$ 6,979,331	\$ 7,679,364	\$ 442,462	\$ 183,085	\$ 7,421,793	\$ 7,862,449

More detailed information about the City's long-term debt is presented in Note I to the financial statements

**CITY OF WESTWORTH VILLAGE, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2023**

Economic Factors and Next Year's Budgets and Rates

The annual budget is developed to provide efficient, effective, and economic uses of the City's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the City Council and administration set the direction of the City, allocate its resources, and establish its priorities.

The City annually reviews all of its fees as part of the budget adoption process. Fees for general government as well as user charges are evaluated and, if needed, adjusted to meet the needs of the operations of the systems. The budget is adopted and a tax rate is approved to meet the demands of the budget. For 2023, rates set for fees and taxes are estimated to meet operational demand similar to the current year.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in the City's finances. Questions concerning the information found in this report or requests for additional financial information should be directed to the City of Westworth Village at 311 Burton Hill Road, Westworth Village, Texas 76114.

BASIC FINANCIAL STATEMENTS

**CITY OF WESTWORTH VILLAGE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Crime Control and Prevention District
ASSETS				
Cash and cash equivalents	\$ 7,514,207	\$ 3,029,565	\$ 10,543,772	\$ 572,279
Receivables (net of allowance for uncollectibles)	667,662	252,565	920,227	123,084
Due from other governments	1,943,988	(73,987)	1,870,001	-
Inventory	-	33,557	33,557	-
Land held for sale	345,496	-	345,496	-
Restricted assets:				
Cash and cash equivalents	1,128,723	-	1,128,723	-
Capital assets not being depreciated:				
Land	644,158	2,097,881	2,742,039	-
Construction in process	2,446,744	20,000	2,466,744	-
Capital assets net of accumulated depreciation:				
Building & improvements	3,558,342	348,075	3,906,417	-
Infrastructure & improvements	8,286,322	3,502,749	11,789,071	-
Machinery & equipment	36,251	526,682	562,933	-
Total assets	26,571,893	9,737,087	36,308,980	695,363
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	49,758	-	49,758	-
Deferred outflows of resources-pension	593,149	261,590	854,739	133,171
Deferred outflows of resources-OPEB	19,998	8,820	28,818	4,490
Total deferred outflow of resources	662,905	270,410	933,315	137,661
LIABILITIES				
Accounts payable	41,154	53,765	94,919	40,272
Due to other governments	573,717	1,110,236	1,683,953	210,143
Payroll liabilities	-	32,173	32,173	16,751
Other liabilities	-	151,892	151,892	-
Customer deposits	-	110,391	110,391	-
Deferred covid funding	683,821	-	683,821	-
Non-current liabilities:				
Due within one year:				
Compensated absences	26,690	26,895	53,585	-
Capital lease payable	-	56,547	56,547	-
Accrued interest payable	33,051	-	33,051	-
Bonds payable	723,033	-	723,033	-
Due in more than one year:				
Capital lease payable	-	385,915	385,915	-
Net OPEB liability	63,453	27,985	91,438	14,246
Net pension liability	311,123	137,212	448,335	69,852
Bonds payable	6,256,298	-	6,256,298	-
Total liabilities	8,712,340	2,093,011	10,805,351	351,264
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources-OPEB	36,551	16,120	52,671	8,206
Deferred inflows of resources-pension	256,097	112,944	369,041	57,497
Total deferred inflows of resources	292,648	129,064	421,712	65,703
NET POSITION				
Net investment in capital assets	7,992,486	6,052,925	14,045,411	-
Restricted for:				
Capital improvements	604,766	-	604,766	-
Public safety-crime control	-	-	-	-
Redevelopment	623,335	-	623,335	-
Debt service	468,127	-	468,127	-
Street improvements	886,423	-	886,423	-
Unrestricted	7,654,673	1,732,497	9,387,170	416,057
Total net position	\$ 18,229,810	\$ 7,785,422	\$ 26,015,232	\$ 416,057

The notes to the financial statements are an integral part of this financial statement.



Westworth Village

**CITY OF WESTWORTH VILLAGE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>
Function/Program Activities				
Primary Government				
Governmental Activities:				
General government	\$ 1,536,063	\$ 321,563	\$ 130,401	\$ -
Judicial	165,838	298,930	-	-
Public safety	1,844,935	-	-	-
Public works	436,746	-	-	-
Culture and recreation	266	-	-	-
Redevelopment	294,506	-	-	-
Interest on long-term debt	197,603	-	-	-
Total governmental activities	<u>4,475,957</u>	<u>620,493</u>	<u>130,401</u>	<u>-</u>
Business-type Activities:				
Water and sewer	2,219,341	1,781,698	-	-
Hawks creek golf course	2,238,843	2,268,074	-	-
Total business-type activities	<u>4,458,184</u>	<u>4,049,772</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 8,934,141</u>	<u>\$ 4,670,265</u>	<u>\$ 130,401</u>	<u>\$ -</u>
Component units:				
Crime Control and Prevention District	\$ 611,336	\$ -	\$ -	\$ -
Total component unit:	<u>\$ 611,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Property tax
Sales & mixed beverage tax
Franchise tax
Royalties
Investment income
Miscellaneous
Transfers
Total general revenues
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this financial statement.

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

Primary Government			Crime Control and Prevention District
Governmental Activities	Business Activities	Total	
\$ (1,084,099)	\$ -	\$ (1,084,099)	\$ -
133,092	-	133,092	-
(1,844,935)	-	(1,844,935)	-
(436,746)	-	(436,746)	-
(266)			
(294,506)			
(197,603)	-	(197,603)	-
<u>(3,725,063)</u>	<u>-</u>	<u>(3,430,291)</u>	<u>-</u>
-	(437,643)	(437,643)	-
-	29,231	29,231	-
<u>-</u>	<u>(408,412)</u>	<u>(408,412)</u>	<u>-</u>
<u>\$ (3,725,063)</u>	<u>\$ (408,412)</u>	<u>\$ (4,133,475)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (611,336)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (611,336)</u>
\$ 2,074,674	\$ -	\$ 2,074,674	\$ -
2,294,669	-	2,294,669	755,553
295,051	-	295,051	-
362,139	-	362,139	-
378,481	5,880	384,361	2
370,373	19,007	389,380	2,500
109,715	(109,715)	-	-
<u>5,885,102</u>	<u>(84,828)</u>	<u>5,800,274</u>	<u>758,055</u>
<u>2,160,039</u>	<u>(493,240)</u>	<u>1,666,799</u>	<u>146,719</u>
<u>16,069,771</u>	<u>8,278,662</u>	<u>24,348,433</u>	<u>269,338</u>
<u>\$ 18,229,810</u>	<u>\$ 7,785,422</u>	<u>\$ 26,015,232</u>	<u>\$ 416,057</u>

The notes to the financial statements are an integral part of this financial statement.

**CITY OF WESTWORTH VILLAGE, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Street Fund	Westworth Redevelopment Authority	Total
ASSETS						
Cash and cash equivalents	\$ 6,581,722	\$ 932,485	\$ -	\$ -	\$ -	\$ 7,514,207
Receivables (net of allowance for uncollectibles)	368,831	174,167	1,387	61,638	61,638	667,661
Due from other governments	1,394,739	8,874	297,753	823,922	-	2,525,288
Land held for sale	-	-	-	-	345,496	345,496
Cash and cash equivalents - restricted	-	-	186,534	228,918	713,271	1,128,723
Total assets	8,345,292	1,115,526	485,674	1,114,478	1,120,405	12,181,375
LIABILITIES						
Accounts payable	35,370	-	-	4,680	(50)	40,000
Due to other governments	99,084	336,593	-	217,662	492,804	1,146,143
Payroll accrual	-	-	-	5,713	4,316	10,029
Other liabilities	-	-	-	-	-	-
Total liabilities	134,454	336,593	-	228,055	497,070	1,196,172
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	120,965	174,167	17,547	-	-	312,679
Deferred covid funding	683,821	-	-	-	-	683,821
Total deferred inflows of resources	804,786	174,167	17,547	-	-	996,500
FUND BALANCES						
Restricted for:						
Redevelopment	-	-	-	-	623,335	623,335
Debt Service	-	-	468,127	-	-	468,127
Street improvements	-	-	-	886,423	-	886,423
Committed for:						
Capital projects	-	604,766	-	-	-	604,766
Unassigned	7,406,052	-	-	-	-	7,406,052
Total fund balances	7,406,052	604,766	468,127	886,423	623,335	9,988,703
Total liabilities, deferred inflows of resources and fund balances	\$ 8,345,292	\$ 1,115,526	\$ 485,674	\$ 1,114,478	\$ 1,120,405	\$ 12,181,375

**CITY OF WESTWORTH VILLAGE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total fund balances - governmental funds balance sheet	\$ 9,988,703
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,175,978
Accumulated depreciation has not been included in the governmental fund financial statements.	(7,204,158)
Certain items are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	
Accrued interest	(33,051)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(26,690)
Revenue reported as deferred inflow of resources in the governmental fund financial statements was recorded as revenue in the government-wide financial statements.	312,678
Net pension liability that is not available within the current period and, therefore, is not reported within in the fund financial statements.	(311,123)
Net other pension benefit liability is not due and payable in the current period, and therefore, is not reported in the fund financial statements.	(63,453)
Deferred inflows/outflows of resources for pension are not reported in the fund financial statements.	320,499
Long-term liabilities, including notes payable and capital leases, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(6,929,573)</u>
Net position of governmental activities - statement of net position	<u><u>\$ 18,229,810</u></u>

The notes to the financial statements are an integral part of this financial statement.

**CITY OF WESTWORTH VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Street Fund	Westworth Redevelopment Authority	Total
REVENUES						
Taxes:						
Property	\$ 1,276,283	\$ -	\$ 798,390	\$ -	\$ -	\$ 2,074,673
Sales	1,595,279	-	-	349,695	349,695	2,294,669
Franchise	295,051	-	-	-	-	295,051
Charge for services	-	-	-	-	-	-
Intergovernmental revenue	130,401	-	-	-	-	130,401
Licenses and permits	321,563	-	-	-	-	321,563
Royalties	362,139	-	-	-	-	362,139
Fines and fees	298,930	-	-	-	-	298,930
Donations	-	-	-	-	-	-
Miscellaneous	145,264	146,000	-	-	79,110	370,374
Investment income	328,863	9,321	20,514	-	19,782	378,480
Total revenues	<u>4,753,773</u>	<u>155,321</u>	<u>818,904</u>	<u>349,695</u>	<u>448,587</u>	<u>6,526,280</u>
EXPENDITURES						
Current operating:						
General government	1,071,699	-	-	-	-	1,071,699
Judicial	165,838	-	-	-	-	165,838
Public safety	1,829,829	-	-	-	-	1,829,829
Public works	183,144	98,761	-	154,841	-	436,746
Culture and recreation	266	-	-	-	-	266
Redevelopment	-	-	-	-	284,619	284,619
Debt service:						
Principal retirement	-	-	655,000	-	-	655,000
Interest	-	-	242,636	-	-	242,636
Capital outlays						
Public works	-	-	-	-	-	-
Total expenditures	<u>3,250,776</u>	<u>98,761</u>	<u>897,636</u>	<u>154,841</u>	<u>284,619</u>	<u>4,686,633</u>
Excess (deficiency) of revenues over (under) expenditures	1,502,997	56,560	(78,732)	194,854	163,968	1,839,647
Other revenues and financing sources (uses)						
Transfers	45,618	-	135,097	(71,000)	-	109,715
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>45,618</u>	<u>-</u>	<u>135,097</u>	<u>(71,000)</u>	<u>-</u>	<u>109,715</u>
Net change in fund balances	1,548,615	56,560	56,365	123,854	163,968	1,949,362
Fund balances, October 1	5,857,437	548,206	411,762	762,569	459,367	8,039,341
Prior period adjustments	-	-	-	-	-	-
Fund balances, September 30	<u>\$ 7,406,052</u>	<u>\$ 604,766</u>	<u>\$ 468,127</u>	<u>\$ 886,423</u>	<u>\$ 623,335</u>	<u>\$ 9,988,703</u>

The notes to the financial statements are an integral part of this financial statement.

**CITY OF WESTWORTH VILLAGE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balances - statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 1,949,362
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.</p>	(517,516)
<p>Current year long-term debt principal payments on contractual obligations are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.</p>	655,000
<p>Current year debt premium amortization is recorded as an expense within the government-wide financial statements and excluded from the governmental financial statements.</p>	45,033
<p>Current year changes in pension expense do not require the use of current resources; therefore, this is not reported as expenditures in governmental funds.</p>	28,160
Change in net position - statement of activities	<u><u>\$ 2,160,039</u></u>

The notes to the financial statements are an integral part of this financial statement.

CITY OF WESTWORTH VILLAGE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Water and Sewer Fund	Hawks Creek Golf Course	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,817,345	\$ 1,212,220	\$ 3,029,565
Receivables (net of allowance for uncollectibles)	232,438	20,127	252,565
Due from other governments	34,597	(108,583)	(73,986)
Inventory	-	33,557	33,557
Net pension asset	(39,693)	(97,519)	(137,212)
Total current assets	<u>2,044,687</u>	<u>1,059,802</u>	<u>3,104,489</u>
Noncurrent assets:			
Capital assets:			
Land	-	2,097,881	2,097,881
Construction in progress	20,000	-	20,000
Building and improvements	-	3,210,195	3,210,195
Infrastructure	6,669,945	-	6,669,945
Machinery and equipment	556,345	1,496,939	2,053,284
Less: accumulated depreciation	(3,685,294)	(3,870,624)	(7,555,918)
Total capital assets (net of accumulated depreciation)	<u>3,560,996</u>	<u>2,934,391</u>	<u>6,495,387</u>
Total assets	<u><u>5,605,683</u></u>	<u><u>3,994,193</u></u>	<u><u>9,599,876</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources-pension	75,673	185,917	261,590
Deferred outflows of resources-OPEB	2,551	6,269	8,820
Total deferred outflow of resources	<u>78,224</u>	<u>192,186</u>	<u>270,410</u>
LIABILITIES			
Current liabilities:			
Accounts payable	29,851	23,916	53,767
Due to other governments	1,048,316	61,920	1,110,236
Compensated absences	4,858	22,037	26,895
Net OPEB liability	8,095	19,890	27,985
Other liabilities	135,580	48,485	184,065
Payables from restricted funds:			
Customer deposits	110,391	-	110,391
Capital lease payable	-	15,467	15,467
Total current liabilities	<u>1,337,091</u>	<u>191,715</u>	<u>1,528,806</u>
Noncurrent liabilities:			
Capital lease payable	-	426,995	426,995
Total noncurrent liabilities	<u>-</u>	<u>426,995</u>	<u>426,995</u>
Total liabilities	<u><u>1,337,091</u></u>	<u><u>618,710</u></u>	<u><u>1,955,801</u></u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources-OPEB	4,663	11,457	16,120
Deferred inflows of resources-pension	32,673	80,271	112,944
Total deferred inflows of resources	<u>37,336</u>	<u>91,728</u>	<u>129,064</u>
NET POSITION			
Net investment in capital assets	3,560,996	2,491,929	6,052,925
Unrestricted	748,484	984,012	1,732,496
Total net position	<u><u>\$ 4,309,480</u></u>	<u><u>\$ 3,475,941</u></u>	<u><u>\$ 7,785,421</u></u>
Total Liabilities and Net Assets	<u><u>\$ 5,683,907</u></u>	<u><u>\$ 4,186,379</u></u>	<u><u>\$ 9,870,286</u></u>

The notes to the financial statements are an integral part of this financial statement.

**CITY OF WESTWORTH VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Water and Sewer Fund	Hawks Creek Golf Course	Total
OPERATING REVENUES:			
Charges for services	\$ 1,781,698	\$ 2,268,074	\$ 4,049,772
Miscellaneous income	16,383	2,624	19,007
Total operating revenues	<u>1,798,081</u>	<u>2,270,698</u>	<u>4,068,779</u>
OPERATING EXPENSES:			
Supplies and materials	290,439	566,338	856,777
Personnel services	254,008	972,956	1,226,964
Contractual services	1,382,661	126,192	1,508,853
Repairs and maintenance	71,929	149,291	221,220
Utilities	4,782	235,742	240,524
Depreciation	215,521	172,859	388,380
Total operating expenses	<u>2,219,340</u>	<u>2,223,378</u>	<u>4,442,718</u>
Operating income (loss)	<u>(421,259)</u>	<u>47,320</u>	<u>(373,939)</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest expense	-	(15,467)	(15,467)
Investment income	5,880	-	5,880
Total non-operating revenues (expenses)	<u>5,880</u>	<u>(15,467)</u>	<u>(9,587)</u>
Transfers	-	(109,715)	(109,715)
Change in net position	<u>(415,379)</u>	<u>(77,862)</u>	<u>(493,241)</u>
Net position, October 1	4,724,859	3,553,803	8,278,662
Prior period adjustments	-	-	-
Net position, September 30	<u>\$ 4,309,480</u>	<u>\$ 3,475,941</u>	<u>\$ 7,785,421</u>

The notes to the financial statements are an integral part of this financial statement.

**CITY OF WESTWORTH VILLAGE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Water and Sewer Fund	Hawks Creek Golf Course	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 2,605,386	\$ 2,268,074	\$ 4,873,460
Cash paid to suppliers for goods and services	(1,759,001)	(173,963)	(1,932,964)
Cash paid to employees	(548,013)	(1,548,059)	(2,096,072)
Net cash provided by (used for) operating activities	298,372	546,052	844,424
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	-	(109,715)	(109,715)
Net cash provided by (used for) noncapital financial activities	-	(109,715)	(109,715)
Cash Flows from Capital and Related Financing Activities			
Principal paid on long-term debt	-	259,375	259,375
Interest paid on long-term debt	-	(15,467)	(15,467)
Acquisition of capital assets	(148,748)	(314,693)	(463,441)
Net cash provided by (used for) capital and related financing activities	(148,748)	(70,785)	(219,533)
Cash Flows from Investing Activities			
Interest income	5,884	-	5,884
Net cash provided by (used for) investing activities	5,884	-	5,884
Net increase (decrease) in cash and cash equivalents	155,508	365,552	521,060
Cash and cash equivalents at beginning of year	1,661,837	846,668	2,508,505
Cash and cash equivalents at end of year	\$ 1,817,345	\$ 1,212,220	\$ 3,029,565
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (421,259)	\$ 47,320	\$ (373,939)
Adjustment to reconcile operating income to net cash provided by operating activities			
Depreciation	215,521	172,859	388,380
Changes in assets and liabilities:			
(Decrease) increase in:			
Receivables	63,246	356,036	419,282
Increase (decrease) in:			
Accounts payable	440,864	(30,163)	410,701
Total adjustments	719,631	498,732	1,218,363
Net cash provided by operating activities	\$ 298,372	\$ 546,052	\$ 844,424

The notes to the financial statements are an integral part of this financial statement.

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Westworth Village, Texas ("City") is incorporated and operates as a general law City. The City operates under a mayor-council form of government and provides the following services as authorized by its ordinances: general government, judicial, public safety (police and fire), culture and recreation, water and sewer system, and golf course.

The accounting reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments-Audit and Accounting Guide*, and by the Financial Accounting Standards, when applicable. The more significant accounting policies of the City are described below:

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations. Thus, the blended component unit is appropriately presented as a fund of the primary government. The discretely presented component unit is required in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

Blended Component Unit

Westworth Redevelopment Authority - Westworth Redevelopment Authority (WRA) was created by action of the Westworth Village City Council on July 8, 1997, as a Texas nonprofit public corporation, acting on behalf of the City, and is a blended component unit in the City's financial statements. WRA provides redevelopment of certain properties, located within the City, which were part of the Carswell Air Force Base, prior to its realignment. WRA is governed by a seven-member board. Four members are appointed by the City government, and the governing body of the City is substantively the same as the governing body of the WRA. Financial statements may be obtained directly from the WRA, 311 Burton Hill Road, Westworth Village, Texas 76114.

Discretely Presented Component Unit

Westworth Village Crime Control and Prevention District - The City created the entity to provide supplemental funding to the police department in order to provide funding for crime control and prevention. Funding for the Crime Control and Prevention District is generated from 1/4 cent of sales tax. The governing body is currently made up of seven members, all of whom were appointed by the City Council. The entity was subject to a five-year sunset provision, which was reinstated for an additional 20 years. The Crime Control and Prevention District provides all of its services to the citizenry of the City of Westworth Village, Texas, and upon its dissolution, all assets and liabilities shall be distributed to the City. The District may finance all of the costs of a crime control and crime prevention program, including the costs for personnel, administration, expansion, enhancement, and capital expenditures.

Basis of Presentation

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis includes an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented in the required supplementary section that compares the budget with actual results.

The City's basic financial statements include the accounts of all City operations. In evaluating how to define the City for financial reporting purposes, management has considered all entities for which the City is considered to be financially accountable. As required by GAAP, these financial statements present the City, and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit has been reported in a separate column in the government-wide financial statements to emphasize that it is a legally separate from the City.

The basic financial statements include both government-wide, (based on the City as a whole), 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 primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the capital requirements of a particular function or program, and c) grants and contributions that are restricted to meeting the operational requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenue. Internally dedicated resources are also reported as general revenues rather than as program revenues.

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The net cost (by function) is normally covered by general revenue (property and sales taxes, franchise fees, and interest income).

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns within the fund financial statements. The major governmental funds is the general fund and the debt service fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 wastewater and solid waste funds are charges to customers for sales and services. The wastewater utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for business-type funds include the cost of sales and service and administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary fund. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus, Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled utility services which are accrued. Expenses are recognized as the liability is incurred.

Governmental fund level 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 City considers revenues to be available when 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 and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to inter-governmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The **General Fund** is the operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contracted agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The **Capital Projects Fund** is used by the City to tract bond and other proceeds to be used for capital construction projects. These purposes include completion of various infrastructure improvements.

The **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid from taxes levied by the City.

The **Westworth Redevelopment Authority Fund** is a blended component unit and is reported as a special revenue fund of the City. This fund is utilized to account for sales tax and other sources which provide funding for redevelopment of certain properties, located within the City, which were part of the Carswell Air Force Base, prior to its realignment.

Proprietary funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position.

Proprietary funds are financed and operated in a manner similar to private business enterprise. The costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following are descriptions of the proprietary fund of the City.

The **Water and Sewer Fund** accounts for the operation of the City's wastewater and solid waste collection utility system, a self-supporting activity, which renders services on a user charge basis to residents and businesses located in Westworth Village, Texas.

The **Hawks Creek Golf Course Fund** is used to account for golf course operations that are financed and operated in a manner similar to a private business enterprise - where the intent of the City is that the cost of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

Financial Statement Amounts

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Prepaid Items

Prepaid balances are for payments made by the City for which benefits extend beyond the fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures. Prepaid items are recorded using the consumption method.

Receivable and Payable

Trade and property tax receivables are shown net of an allowance for uncollectibility.

The City believes that sufficient detail of receivable and payable balances are provided in the financial statements to avoid the obscuring of significant components by aggregation.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles and infrastructure, purchased or acquired, are reported in the applicable governmental or business-like activities columns in the government-wide financial statements and proprietary fund type financial statements. The City defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical, if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

**CITY OF WESTWORTH VILLAGE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-like activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current year.

Management elected not to retroactively report infrastructure assets within the scope of GASB 34.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings, structures and improvements	30 - 50
Infrastructure	30
Golf course	15
Waterworks and sewer lines	5 - 30
Heavy machinery	3 - 20
Transportation vehicles	5 - 15
Office equipment	3 - 15

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and overtime not paid (comp time). All vacation and comp time is accrued at the close of the fiscal year end in the government-wide and proprietary fund financial statements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed during the year they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. 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 City has two items that qualify in this category. The City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year-end are deferred and will be recognized in the subsequent fiscal year-end. The other deferred outflow is the difference between projected and actual investment earnings that will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of a net position that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The City has three items that qualify in this category. Two of these items arise only under a modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental fund reports unavailable revenue from property tax and proprietary funds report a note receivable. The remaining items recorded as a deferred inflow of resources is recorded in the government-wide Statement of Net Position and fund level financial statements for the Wastewater Utility Fund's Statement of Net Position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and will be amortized over a period of years determined by the Plan actuary. The differences will be amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

Net Position Flow Assumption

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

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Fund Balance Policies

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by laws through constitutional provisions or enabling legislation that stipulates that amounts can only be spent for specific purposes.
- *Committed fund balance* - amounts that can only be used for specific purposes determined by a resolution of the City Council and remains binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned fund balance* - amounts that are constrained by the City's intent to be used for specific purposes. Assignment of fund balance is much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used.
- *Unassigned fund balance* - the residual classification for the City's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unassigned resources are available for use, it is the City's policy to use restricted resources first, followed by the committed, assigned and unassigned resources as they are needed.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider a restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Property Taxes

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraisal value less applicable exemptions authorized by the City Council. The Appraisal Board of Review establishes appraised values at 100% for estimated market value. A tax lien attaches to the property on January 1 of each year, to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches.

Taxes are due October 1, immediately following the levy date and are delinquent after the following January 31st. Revenues are recognized as the related ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within 60 days following the close of the fiscal year have been recognized as a revenue at the fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraisal values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, including tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

The City's property tax rate for the current fiscal year is \$0.4750 per \$100 assessed value.

**CITY OF WESTWORTH VILLAGE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Comparative Data/Reclassification

Comparative total data for the current year to budget for the General Fund have been presented in the basic financial statements in order to provide an understanding of budget to actual. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management estimates.

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Program Expenses

Certain indirect costs such as administrative costs are included in the program expense reported for individual functional activities.

COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None	N/A

Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None	N/A

Budgets and Budgetary Accounting

The City adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The City is required to present the adopted and final amended budgeted revenues and expenditures. The City compares the final amended budget to actual revenues and expenditures.

The following procedures are followed in establishing the budgetary data:

- No later than the fifteenth day of each August, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget for the General Fund is legally adopted on a basis consistent with modified accrual basis. The majority of the City's capital projects are budgeted on an annual basis.
- The level of control (the level at which expenditures may not exceed budget) is the fund level. The City Council is the only body that can change the budgeted amounts from one line item to another.

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

CASH AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of both a depository contract and investment policy. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC").

Cash Deposits

At September 30, 2023, the carrying amount of the City's deposits was \$10,911,512 and the bank balance was \$10,805,022. The City's cash deposits at September 30, 2023 and during the year ended September 30, 2022 were entirely covered by FDIC or by pledged collateral held in the City's name. Cash and cash equivalents as of September 30, 2023 consist of and are classified in the accompanying financial statements as follows:

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by national recognized agencies are designed to give an indication of credit risk. At year end, the City was not exposed to credit risk.

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. Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. government and its agencies.

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk.

Foreign Currency Risk

This is the risk that changes in exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

RECEIVABLES

Receivables as of year end for the City's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental</u>	<u>Proprietary</u>	<u>Total</u>
Receivables:			
Taxes	\$ 419,985	\$ -	\$ 419,985
Fees and Charges	2,199,422	269,001	2,468,423
Gross Receivables	2,619,407	269,001	2,888,408
Less: allowance for uncollectible	<u>(1,951,745)</u>	<u>(16,436)</u>	<u>(1,968,181)</u>
Net Total Receivables	<u>\$ 667,662</u>	<u>\$ 252,565</u>	<u>\$ 920,227</u>

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

CAPITAL ASSETS

Capital asset activity for the period ended September 30, 2023 was as follows:

	Beginning Balances	Adjustments/ Transfers	Additions	Decreases	Ending Balances
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 644,158	\$ -	\$ -	\$ -	\$ 644,158
Construction in Progress	2,446,743	-	-	-	2,446,743
Total capital assets, not being depreciated	<u>3,090,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,090,901</u>
Capital assets, being depreciated:					
Buildings & Improvements	5,490,180	-	-	-	5,490,180
Infrastructure	11,731,639	-	-	-	11,731,639
Machinery & Equipment	1,863,258	-	-	-	1,863,258
Total capital assets being depreciated	<u>19,085,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,085,077</u>
Less accumulated depreciation for:					
Buildings & Improvements	(1,827,275)	-	(104,563)	-	(1,931,838)
Infrastructure	(3,054,261)	-	(391,055)	-	(3,445,316)
Machinery & Equipment	(1,805,106)	-	(21,900)	-	(1,827,006)
Total accumulated depreciation	<u>(6,686,642)</u>	<u>-</u>	<u>(517,518)</u>	<u>-</u>	<u>(7,204,160)</u>
Total capital assets, being depreciated, net	<u>12,398,435</u>	<u>-</u>	<u>(517,518)</u>	<u>-</u>	<u>11,880,917</u>
Governmental activities capital assets, net	<u>\$ 15,489,336</u>	<u>\$ -</u>	<u>\$ (517,518)</u>	<u>\$ -</u>	<u>\$ 14,971,818</u>
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 2,097,881				\$ 2,097,881
Construction in Progress	20,000	-	-	-	20,000
Total capital assets, not being depreciated	<u>2,117,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,117,881</u>
Capital assets, being depreciated:					
Buildings and improvements	458,923				458,923
Golf Course	2,751,272				2,751,272
Water and sewer system	6,669,946	-	-	-	6,669,946
Machinery & Equipment	1,589,843	-	463,439	-	2,053,282
Total capital assets being depreciated	<u>11,469,984</u>	<u>-</u>	<u>463,439</u>	<u>-</u>	<u>11,933,423</u>
Less accumulated depreciation for:					
Buildings and improvements	(424,661)	-	(11,731)	-	(436,392)
Golf Course	(2,339,370)	-	(86,358)	-	(2,425,728)
Water and sewer system'	(2,970,038)	-	(197,157)	-	(3,167,195)
Machinery & Equipment	(1,433,768)	-	(93,134)	-	(1,526,902)
Total accumulated depreciation	<u>(7,167,837)</u>	<u>-</u>	<u>(388,380)</u>	<u>-</u>	<u>(7,556,217)</u>
Total capital assets, being depreciated, net	<u>4,302,147</u>	<u>-</u>	<u>75,059</u>	<u>-</u>	<u>4,377,206</u>
Business-type activities capital assets, net	<u>\$ 6,420,028</u>	<u>\$ -</u>	<u>\$ 75,059</u>	<u>\$ -</u>	<u>\$ 6,495,087</u>
Depreciation expense was charged to functions/programs of the primary government as follows:					
Governmental activities:					
General Government		\$ 492,525			
Public Safety		15,105			
Redevelopment		9,888			
Total depreciation expense - governmental activities		<u>\$ 517,518</u>			
Business-type activities:					
Water and sewer		\$ 215,521			
Hawks creek golf course		172,859			
Wastewater services		<u>388,380</u>			

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

LONG-TERM OBLIGATIONS

A summary of long-term debt transactions, including the current portion, for the year ended September 30, 2023, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 5,945,000	\$ -	\$ (545,000)	5,400,000	\$ 565,000
Certificates of obligation	1,239,000	-	(110,000)	1,129,000	113,000
Bond Premium	495,364	-	(45,033)	450,331	45,033
Governmental activity					
Total long-term liabilities	\$ 7,679,364	\$ -	\$ (700,033)	\$ 6,979,331	\$ 723,033
Business-type Activities					
Capital lease obligations	183,085	474,488	(215,111)	442,462	56,547
Business-type activity					
Total long-term liabilities	\$ 183,085	\$ 474,488	\$ (215,111)	\$ 442,462	\$ 56,547

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Changes in Governmental Long-term Debt
Bonds Payable:**

Description	Interest Rate Payable	Amounts Issued	Amounts Outstanding		Retired	Amounts Outstanding September 30, 2022	Due Within One Year
			September 30, 2022	Issued			
Series 2017 C.O.	2.63%	\$ 1,743,000	\$ 1,239,000	\$ -	\$ (110,000)	\$ 1,129,000	\$ 113,000
Series 2019 GO Bonds	2.00% to 5.00%	3,625,000	2,755,000	-	(310,000)	2,445,000	320,000
Series 2019 Bond Premium		-	270,255	-	(24,569)	245,686	24,569
Series 2022 G.O. Bonds	4.00%	3,230,000	3,190,000	-	(235,000)	2,955,000	245,000
Series 2020 Bond Premium		-	225,109	-	(20,464)	204,645	20,464
Total Bonds Payable Obligations		\$ 8,598,000	\$ 7,679,364	\$ -	\$ (700,033)	\$ 6,979,331	\$ 723,033

Debt service requirements are as follows:

Year Ending September 30:	Total Requirements		
	Principal	Interest	Requirements
2024	723,033	262,575	985,608
2025	746,033	240,203	986,236
2026	764,033	217,053	981,086
2027	792,033	193,273	985,306
2028	820,033	168,565	988,598
2029 to 2033	3,134,166	490,749	3,624,915
Totals	\$ 6,979,331	\$ 1,572,418	\$ 8,551,749

Series 2017

The City issued Combination Tax and Revenue Certificates of Obligation, Series 2013 on June 25, 2013 totaling \$5,170,000 to fund various street and utility improvements. These certificates of obligation were refunded during the 2022 fiscal year with the Series 2022 General Obligation Refunding Bonds. These bonds are scheduled to mature in 2032.

Series 2019

The City issued Series 2019 General Obligation Refunding Bonds totaling \$3,625,000 to refund a portion of Series 2010 General Obligation Bonds and to pay the costs associated with the issuance of these bonds. These bonds are scheduled to mature in 2030.

Series 2022

The City issued Series 2022 General Obligation Bonds on April 12, 2022 totaling \$3,230,000 to refund a portion of the City's Combination Tax and Revenue Bonds of Obligation, Series 2013, and to pay the costs related to the issuance of the bonds. These bonds are scheduled to mature in 2033.

**Changes in Business-type Long-term Debt
Capital Leases:**

Description	Interest Rate Payable	Amounts Issued	Amounts Outstanding		Retired	Amounts Outstanding September 30, 2023	Due Within One Year
			September 30, 2022	Issued			
PNC Capital Lease	5.51%	\$ 55,398	\$ 16,109	\$ -	\$ (16,109)	-	\$ -
Yamaha Golf Cart Lease	4.52%	318,462	166,976	474,488	(199,002)	442,462	56,547
Total Long Term Obligations		\$ 373,860	\$ 183,085	\$ 474,488	\$ (215,111)	\$ 442,462	\$ 56,547

Debt service requirements are as follows:

Year Ending September 30:	Total Requirements		
	Principal	Interest	Requirements
2024	56,547	19,110	75,657
2025	56,762	15,775	72,537
2026	59,407	13,129	72,536
2027	269,746	3,007	272,753
Totals	\$ 442,462	\$ 51,021	\$ 493,483

**CITY OF WESTWORTH VILLAGE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The City entered into a capital lease agreement with PNC Equipment Finance, LLC on October 30, 2018 to purchase new Cushman Haulers for the Hawk Creek Gold Club. The contract requires 5.51% interest and will mature in 2023.

The City entered into a capital lease agreement with Yamaha Motor Finance Corporation on December 28, 2018 to purchase new golf carts for the Hawk Creek Gold Club. The contract requires 4.52% interest and will mature in 2023.

PENSION PLAN

Plan Description

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide 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 ("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' defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report ("ACFR") that can be obtained at www.tMrs.org.

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

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the City Council, 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 city-financed monetary credits with interest, were used to purchase an annuity. Members may choose to receive their benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2010, the City granted an annually repeating (automatic) basis credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2010, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ration (City to employees)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% repeating
Cost of living adjustments (COLA) for retirees	70% of consumer price index.

Employees covered by benefit terms:

At December 31, 2021, the valuation and measurement date, the following employees were covered by the benefit terms:

	Plan Year
	2022
Number of:	
Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	63
Active employees	37
Total	133

**CITY OF WESTWORTH VILLAGE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Contributions

The contribution rates for the employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City's matching percentages are either 100%, 150%, or 200%, both as adopted by the City Council. Under the state law governing TMRS, the contribution rate for each city 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 City of Westworth Village were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 11.94% in the calendar years 2020 and 2021. The City's contributions to TMRS for the year ended September 30, 2022 were \$304,587 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability ("NPL") was measured as of December 31, 2022, and the Total Pension Liability ("TPL") used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.50% to 11.50% including inflation
Investment rate of return	6.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries are based on the PUB(10) mortality tables with Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for employees, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. Post-retirement mortality is based on 2019 Municipal Retirees of Texas Mortality Tables . The rates are projected on a fully generational basis with Scale UMP.

Rate of Return

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 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, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	35%	7.70%
Core fixed income	6%	4.90%
Non-core fixed Income	20%	8.70%
Other Public and Private Markets	12%	8.10%
Real estate	12%	5.80%
Hedge Funds	5%	6.90%
Private equity	10%	11.80%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the TPL 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 projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments periods of projected benefit payments to determine the TPL.

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	\$ 7,547,330	\$ 8,028,389	\$ (481,059)
Changes for the year:			
Service cost	385,575	-	385,575
Interest	514,726	-	514,726
Change of benefit terms	-	-	-
Difference between expected and actual experience	(51,659)	-	(51,659)
Changes of assumptions	-	-	-
Contributions - employer	-	275,936	(275,936)
Contributions - employee	-	160,295	(160,295)
Net investment income	-	(587,815)	587,815
Benefit payments, including refunds of employee contributions	(229,098)	(229,098)	-
Administrative expense	-	(5,071)	5,071
Other changes	-	6,051	(6,051)
Net changes	619,544	(379,702)	999,246
Balance at 12/31/2022	<u>\$ 8,166,874</u>	<u>\$ 7,648,687</u>	<u>\$ 518,187</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City'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 5.75%	Current Single Rate Assumption 6.75	1% Increase 7.75%
	<u>\$ 1,868,869</u>	<u>\$ 518,187</u>	<u>\$ (552,864)</u>

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

For the year ended September 30, 2023, the City recognized a pension expense of \$199,065.

At September 30, 2023, the City reported deferred outflow of resources and deferred inflow of resources related to pension from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	\$ 7,744	\$ 50,349
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	903,784	376,189
Contributions subsequent to the measurement date of December 31, 2021	76,382	-
Total	<u>\$ 987,910</u>	<u>\$ 426,538</u>

\$76,382 reported as deferred outflow of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the current fiscal year. Other amounts reported as deferred outflow and inflow of resources related to pension will be recognized in pension expense as follows:

Net deferred outflows (inflows) of resources:

December 31	
2023	\$ 4,053
2024	116,675
2025	138,319
2026	225,943
2027	-
Total	<u>\$ 484,990</u>

**CITY OF WESTWORTH VILLAGE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

TMRS Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund ("SDBF"). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1, of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit", or OPEB.

The 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.

Total OPEB Liability:

The City of Westworth's total OPEB liability of \$61,344 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.5% including inflation
Discount rate*	1.84%

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA index" rate as of December 31, 2022.

Mortality rates - service retirees:

For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables are utilized. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.

Mortality rates - disabled retirees:

For calculating the OPEB liability and the OPEB contribution rates, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Membership

Number of:	
-Inactive employees currently receiving benefits	19
-Inactive employees entitled to but not yet receiving benefits	10
-Active employees	37
Total	<u><u>66</u></u>

Changes in the Total OPEB Liability:

Total OPEB Liability - beginning of year	\$	144,379
Changes for the year:		
Service costs		10,427
Interest on total OPEB liability		2,727
Changes in benefit terms		-
Differences between expected and actual experience		8,153
Changes in assumptions or other inputs		(57,281)
Benefit payments		(2,720)
Total OPEB Liability - end of year	\$	<u><u>105,685</u></u>

**CITY OF WESTWORTH VILLAGE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The following presents the Total OPEB Liability of the City of Lavon, Texas, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current discount rate.

	1% Decrease (3.05%)	Current Discount (4.05%)	1% Increase (5.05%)
Total OPEB Liability	\$ 127,262	\$ 105,685	\$ 89,148

Deferred (Inflows)/Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,819	\$ 12,993
Changes in assumptions and other inputs	19,099	47,885
Contributions made subsequent to measurement date	7,390	-
Total	\$ 33,308	\$ 60,878

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2023	\$ (6,797)
2024	(6,571)
2025	(9,404)
2026	(9,235)
2027	(2,953)
Thereafter	-
Total	\$ (34,960)

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML-IRP"). TML-IRP is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML-IRP for its above insurance coverage. The agreement for the formation of TML-IRP provides that TML-IRP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

LITIGATION

The City is subject to certain legal proceedings in the normal course of operations. It is the opinion of management, the aggregate liability, if any, with respect to potential legal actions will not materially adversely affect the City's financial position, results of operations, or cash flows.

SUBSEQUENT EVENTS

The City has evaluated all events or transactions that occurred after September 30, 2023 up through April 9, 2024, the date the financial statements were available to be issued. During this period, management was unaware of subsequent events requiring disclosures.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WESTWORTH VILLAGE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**SCHEDULE OF CONTRIBUTIONS
LAST FIVE FISCAL YEARS (UNAUDITED)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 167,183	\$ 239,897	\$ 263,345	\$ 303,440	\$ 305,447	\$ 300,595	\$ 299,740	\$ 273,270	\$ 277,544	\$ 246,971
Contributions in relation to the actuarially determined contribution	\$ 167,183	\$ 239,897	\$ 263,345	\$ 303,440	\$ 305,447	\$ 300,595	\$ 299,740	\$ 273,270	\$ 277,544	\$ 246,971
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,058,565	\$ 2,265,872	\$ 2,400,339	\$ 2,613,573	\$ 2,479,769	\$ 2,457,342	\$ 2,451,112	\$ 2,375,198	\$ 2,095,090	\$ 2,298,423
Contributions as a percentage of covered employee payroll	8.12%	10.59%	10.97%	11.61%	12.32%	12.23%	12.23%	11.51%	13.25%	10.75%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Percentage of Payroll, Closed
 Remaining Amortization Period 23 years
 Asset Valuation Method 10 Year smoothed market; 12% soft corridor
 Inflation 2.50%
 Salary Increases 3.5% to 11.5% including inflation
 Investment Rate of Return 6.75%
 Retirement Age Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
 Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Notes: There were no benefit changes during the year.

CITY OF WESTWORTH VILLAGE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS-TMRS

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service cost	\$ 325,980	\$ 388,961	\$ 419,166	\$ 460,456	\$ 430,778	\$ 429,190	\$ 416,135	\$ 390,854	\$ 385,575
Interest (on the Total Pension Liability)	243,407	278,811	309,126	343,022	372,622	412,344	458,606	470,402	514,726
Changes of benefit terms	-	-	95,890	-	-	-	-	-	-
Difference between expected and actual experience	38,910	(92,096)	(128,502)	(169,119)	5,663	63,999	(428,612)	35,910	(51,659)
Change of assumptions	-	37,923	-	-	-	34,074	-	-	-
Benefit payments, including refunds of employee contributions	(101,637)	(166,399)	(89,509)	(147,042)	(214,962)	(224,635)	(270,793)	(246,660)	(229,098)
Net Change in Total Pension Liability	506,660	447,200	606,171	487,317	594,101	714,972	175,336	650,506	619,544
Total Pension Liability - Beginning	3,365,067	3,871,727	4,318,927	4,925,098	5,412,415	6,006,516	6,721,488	6,896,824	7,547,330
Total Pension Liability - Ending (a)	<u>\$ 3,871,727</u>	<u>\$ 4,318,927</u>	<u>\$ 4,925,098</u>	<u>\$ 5,412,415</u>	<u>\$ 6,006,516</u>	<u>\$ 6,721,488</u>	<u>\$ 6,896,824</u>	<u>\$ 7,547,330</u>	<u>\$ 8,166,874</u>
Plan Fiduciary Net Position									
Contributions - employers	\$ 174,048	\$ 265,005	\$ 270,685	\$ 305,447	\$ 300,595	\$ 288,006	\$ 278,840	\$ 277,197	\$ 275,936
Contributions - employees	148,036	166,527	173,516	179,966	170,654	171,578	166,264	160,656	160,295
Net investment income	169,991	4,958	245,319	585,757	(154,319)	812,203	478,392	906,263	(587,815)
Benefit payments, including refunds of employee contributions	(101,637)	(166,399)	(89,509)	(147,042)	(214,962)	(224,635)	(270,793)	(246,660)	(229,098)
Administrative expense	(1,774)	(3,019)	(2,768)	(3,034)	(2,978)	(4,580)	(3,087)	(4,183)	(5,071)
Other	(146)	(150)	(149)	(154)	(156)	(138)	(121)	28	6,051
Net Change in Plan Fiduciary Net Position	388,518	266,922	597,094	920,940	98,834	1,042,434	649,495	1,093,301	(379,702)
Plan Fiduciary Net Position - Beginning	2,970,851	3,359,369	3,626,291	4,223,385	5,144,325	5,243,159	6,285,593	6,935,088	8,028,389
Plan Fiduciary Net Position - Ending (b)	<u>\$ 3,359,369</u>	<u>\$ 3,626,291</u>	<u>\$ 4,223,385</u>	<u>\$ 5,144,325</u>	<u>\$ 5,243,159</u>	<u>\$ 6,285,593</u>	<u>\$ 6,935,088</u>	<u>\$ 8,028,389</u>	<u>\$ 7,648,687</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 512,358</u>	<u>\$ 692,636</u>	<u>\$ 701,713</u>	<u>\$ 268,090</u>	<u>\$ 763,357</u>	<u>\$ 435,895</u>	<u>\$ (38,264)</u>	<u>\$ (481,059)</u>	<u>\$ 518,187</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.77%	83.96%	85.75%	95.05%	87.29%	93.51%	100.55%	106.37%	93.66%
Covered Employee Payroll	\$ 2,114,797	\$ 2,378,963	\$ 2,478,804	\$ 2,570,942	\$ 2,437,908	\$ 2,451,112	\$ 2,537,042	\$ 2,295,090	\$ 2,266,755
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	24.23%	29.12%	28.31%	10.43%	31.31%	17.78%	-1.51%	-20.96%	22.86%

**CITY OF WESTWORTH VILLAGE, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS-TMRS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	\$ 8,484	\$ 9,264	\$ 7,845	\$ 9,738	\$ 11,475	\$ 10,427
Interest (on the Total OPEB liability)	2,646	2,905	3,449	3,350	2,906	2,727
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	974	(2,619)	(8,714)	(13,252)	8,153
Change of assumptions	6,881	(6,762)	19,823	19,657	4,705	(57,281)
Benefit payments, including refunds of employee contributions	(771)	(488)	(490)	(713)	(2,065)	(2,720)
Net Change in Total Pension Liability	17,240	5,893	28,008	23,318	3,769	(38,694)
Total OPEB Liability - Beginning	66,151	83,391	89,284	117,292	140,610	144,379
Total OPEB Liability - Ending	<u>\$ 83,391</u>	<u>\$ 89,284</u>	<u>\$ 117,292</u>	<u>\$ 140,610</u>	<u>\$ 144,379</u>	<u>\$ 105,685</u>
Covered employee payroll	\$2,570,942	\$ 2,437,908	\$2,451,112	\$2,375,198	\$ 2,295,090	\$2,266,755
Total OPEB Liability as a percentage of covered employee payroll	3.24%	3.66%	4.79%	5.92%	6.29%	4.66%

See accompanying notes to these financial statements for more detail.

Note: Years will continue to be added until there are 10 years for comparison

**CITY OF WESTWORTH VILLAGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Adopted	Amended		
REVENUES				
Taxes:				
Property	1,208,595	1,208,595	\$ 1,276,283	\$ 67,688
Sales	1,650,831	1,650,831	1,595,279	(55,552)
Franchise	420,950	420,950	295,051	(125,899)
Intergovernmental revenue - state and local	135,000	135,000	130,401	(4,599)
Royalties	135,000	135,000	362,139	227,139
Licenses and permits	266,200	266,200	321,563	55,363
Fines and forfeitures	316,250	316,250	298,930	(17,320)
Investment income	6,500	6,500	328,863	322,363
Miscellaneous	65,101	65,101	145,264	80,163
Total revenues	<u>4,204,427</u>	<u>4,204,427</u>	<u>4,753,773</u>	<u>549,346</u>
EXPENDITURES				
Current operating:				
General government	1,296,561	1,296,561	1,071,699	224,862
Judicial	179,473	179,473	165,838	13,635
Public safety	2,210,573	2,210,573	1,829,829	380,744
Public works	296,000	296,000	183,144	112,856
Culture and recreation	1,000	1,000	266	734
Total expenditures	<u>3,983,607</u>	<u>3,983,607</u>	<u>3,250,776</u>	<u>732,831</u>
Excess of revenues over expenditures	220,820	220,820	1,502,997	1,282,177
Other financing sources (uses)				
Transfers	-	-	45,618	45,618
Debt proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>45,618</u>	<u>45,618</u>
Net change in fund balances	220,820	220,820	1,548,615	1,327,795
Fund balance, October 1	5,857,437	5,857,437	5,857,437	
Prior period adjustments	-	-	-	
Fund balance, September 30	<u>\$ 6,078,257</u>	<u>\$ 6,078,257</u>	<u>\$ 7,406,052</u>	

The notes to the financial statements are an integral part of this financial statement.