

City of Woodway

Financial/Performance Report

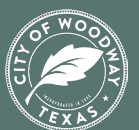
Twelve Months Ended September 30, 2023



City Manager
Dr. Shawn Oubre

Assistant City Manager
Adam Niolet

Finance Director
Brenda Hernandez, CPA



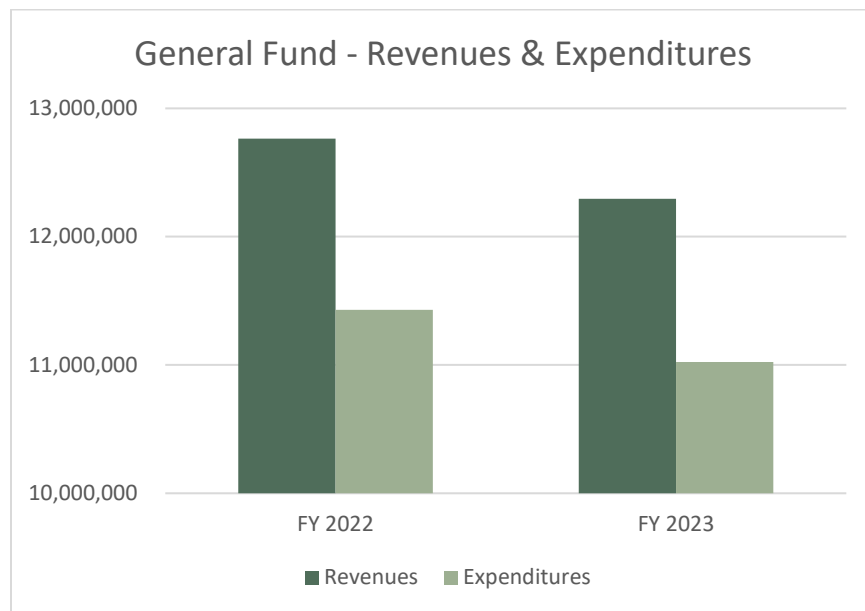
For Twelve Months Ended September 30, 2023
100% of Fiscal Year Expired

Please note - the numbers presented in this financial report are unaudited and subject to change.

General Fund

General Fund revenues totaled \$12,295,219, 103% of budget, at year-end. The primary reason for exceeding 100% was due to year-end sales tax totaling 105% of budget, which can be attributed to conservatively budgeting sales tax and inflation raising the cost of goods and related tax. Also, interest income totaled 325% of budget as the Federal Reserve increased interest rates significantly during fiscal year 2023 (see page 4 for more information on rates).

General Fund expenditures totaled \$11,024,179, 93% of budget. The unaudited year-end surplus (excess of revenues over expenditures) totaled \$1,271,040. Much of this excess can be attributed to conservative spending and conservatively budgeted revenues due to the uncertainty of a post-covid economy. Staff recommends Council to transfer excess funds to the Arboretum Construction and Park Capital Projects Funds to finance the governmental capital projects budgeted in FY 2024.

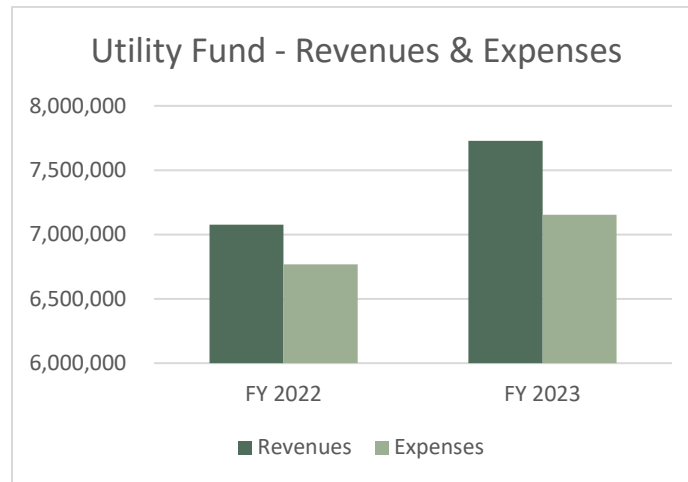


For Twelve Months Ended September 30, 2023
100% of Fiscal Year Expired

Utility Fund

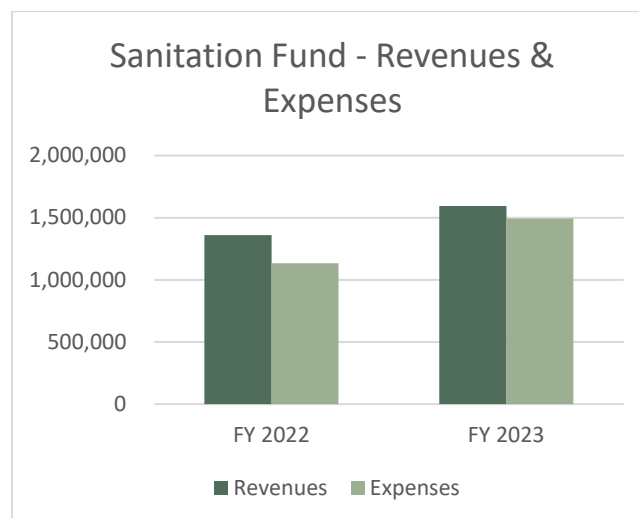
Utility Fund revenues totaled \$7,727,403, 116% of budget at year-end. Water sales ended the fiscal year at 751,246,460 gallons sold compared to last year's sales of 751,310,985 gallons. This decrease in water sales can be attributed to the water restrictions implemented at the City due to the drought.

Utility Fund expenses totaled \$7,154,622, 107% of budget for fiscal year 2023. The unaudited year-end surplus totaled \$572,780. Staff recommends Council transfer the utility fund surplus to fund the utility capital projects budgeted in FY 2024



Sanitation Fund

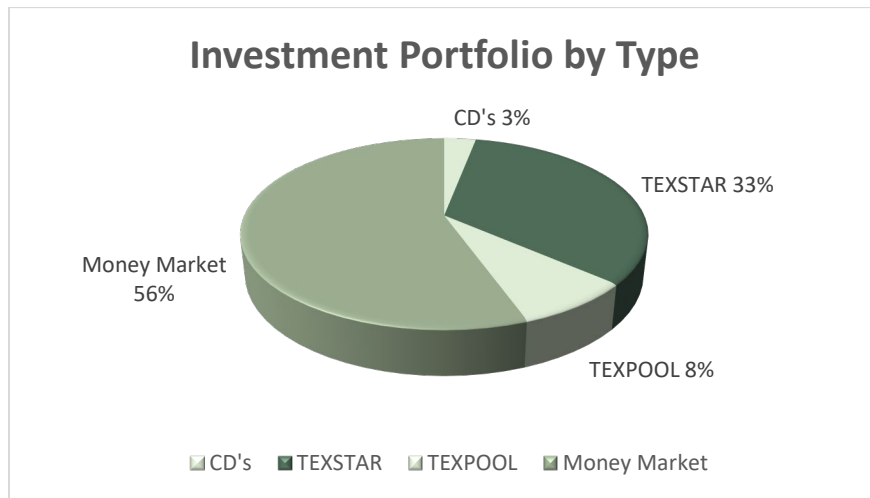
Effective October 1, 2022, sanitation operations were removed from the General Fund and recorded in a separate enterprise fund. Sanitation Fund revenues totaled \$1,594,474, 102% of budget at year-end and expenses totaled \$1,492,888. The unaudited year-end surplus totaled \$101,586. Staff recommends Council transfer a portion of the sanitation fund surplus to fund the utility capital projects budgeted in FY 2024



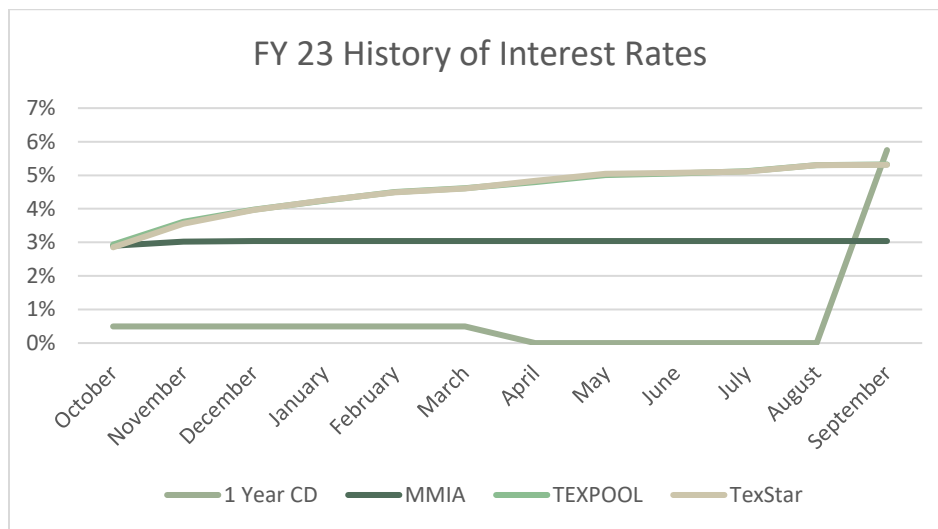
For Twelve Months Ended September 30, 2023
100% of Fiscal Year Expired

Cash & Investments

Operating cash accounts are currently being maintained at sufficient levels to offset all bank service charges with compensating balances while still optimizing the City's return. The City's investment portfolio (not including operating cash) as of September 30 totaled \$29,049,775, which includes \$9,902,940 of bond funds, and consists of the following breakdown:



Interest rates increased during FY 23 as the Federal Reserve continued to raise interest rates to combat inflation. Since October 2022, the City's average money market interest rate increased 49% from 2.03 % to 3.02%, the average TEXPOOL interest rate increased 124% from 2.03% to 4.54%, and the average TEXSTAR interest rate increased 141% from 1.88% to 4.53%. Additionally, the City withdrew a 1-year 0.50% CD at Genco Credit Union upon maturity and invested in a 1-year 5.75% CD at First National Bank of Central Texas. City Staff will continue to watch interest rates closely to best maximize the City's return on its investments while maintaining appropriate liquidity and security in accordance with the City's Investment Policy.



For Twelve Months Ended September 30, 2023
100% of Fiscal Year Expired

Tourism Fund

Hotel Occupancy tax revenues ended the fiscal year at \$840,980, 96% of budget. A total of \$402,998 was transferred to the General fund for Visitor Center operations and maintenance.

Finance/Customer Service Operations

The Finance/Customer Service Department eliminated the Customer Service Coordinator role during FY 2023. The coordinator's responsibilities were absorbed by the Deputy Court Clerk in an effort to reduce costs to add an HR Manager position for FY 2024. City staff is working on filling the HR Manager position by calendar year-end.

The City's auditors will arrive in January to begin field work and aim to finalize the annual audit and present to City Council in April 2024. Staff are completing the FY 2024 digital budget book to publish to the City's website and to submit to the GFOA prior to Thanksgiving.

The quarterly report will continue to be presented in this format unless City Council should desire any changes. Should you have any suggestions or any information you would like added to the quarterly report, please feel free to contact the City Manager.

General Fund Revenues

Revenue Source	FY 2023			FY 2022		
	BUDGET	YTD	%	BUDGET	YTD	%
Property Taxes						
Property Taxes	\$5,298,923	\$5,306,548	100%	\$5,389,449	\$5,434,838	101%
Delinquent Property Taxes	21,500	5,206	24%	22,000	18,574	84%
Interest & Penalties	25,000	25,319	101%	22,000	26,073	119%
Total Property Taxes	\$5,345,423	\$5,337,073	100%	\$5,433,449	\$5,479,484	101%
Sales Tax						
1 Sales Tax (1%)	\$2,622,000	\$2,773,775	106%	\$2,124,000	\$2,513,968	118%
1 Sales Tax (.5%)	1,311,000	1,386,887	106%	1,062,000	1,256,984	118%
Sales Tax Rebates	-	(15,695)		-	(2,681)	
Total Sales Tax	\$3,933,000	\$4,144,967	105%	\$3,186,000	\$3,768,271	118%
Franchise Fees						
Oncor Electric Franchise	\$360,000	\$368,011	102%	\$360,000	\$370,059	103%
Telecommunication Franchise	16,000	13,468	84%	25,000	16,227	65%
2 Atmos Gas Franchise	373,500	373,504	100%	136,000	233,010	171%
Cable Television Franchise	119,000	114,248	96%	125,000	117,953	94%
Collection Road Use Fees	-	-		39,500	44,855	114%
Total Franchise Fees	\$868,500	\$869,231	100%	\$685,500	\$782,104	114%
3 Sanitation Charges						
Residential	\$ -	\$ -		\$745,000	\$807,298	108%
Commercial	-	-		500,000	550,029	110%
Recycling	-	-		3,000	2,000	67%
Total Sanitation Charges	\$ -	\$ -		\$1,248,000	\$1,359,327	109%

Notes:

- 1: **Sales Tax** – Noted a \$390k increase in sales tax from September 2022 to September 2023. Overall increase in sales tax attributed to inflation and increase in businesses within the City.
- 2: **Atmos Gas** – Noted a \$140k increase in Atmos Gas Franchise fees from September 2022 to September 2023. This is primarily due to inflation and the cost of gas increasing this past year.
- 3: **Sanitation Charges** – As directed by the City Council, sanitation activity has been removed from the general fund and is now recorded in a separate enterprise fund included on page 14.

General Fund Revenues (continued)

Revenue Source	FY 2023			FY 2022		
	BUDGET	YTD	%	BUDGET	YTD	%
Other Revenue Sources						
Permits	\$145,000	\$154,786	107%	\$127,300	\$223,982	176%
Court Fines & Misc Fees	159,000	142,263	89%	183,700	150,895	82%
4 Interest Income	50,000	162,581	325%	15,000	31,677	211%
Mixed Beverage Tax	9,500	14,426	152%	8,000	10,673	133%
Park Reservations	15,000	15,961	106%	15,000	15,123	101%
Arboretum Rentals	259,500	257,336	99%	225,000	255,175	113%
Animal Control Fees	1,000	400	40%	1,000	925	93%
5 Service Charges-Enterprise	370,252	370,252	100%	133,962	133,962	100%
Alarm Monitor/Dispatch Service	40,000	40,000	100%	33,000	37,637	114%
6 School Resource Officer	200,000	210,563	105%	115,000	143,126	124%
Misc. Income	2,500	15,168	607%	2,000	20,134	1007%
Lease Revenue	18,900	18,900	100%	18,900	18,900	100%
7 Family Center Revenues	57,000	48,904	86%	157,500	13,388.00	9%
8 Grant Proceeds	-	27,882		-	-	
8 Insurance Proceeds	-	61,530		-	-	
9 Transfer from Tourism Fund	415,970	402,998	97%	458,021	318,335	70%
Total Other Revenue Sources	\$1,743,622	\$1,943,949	111%	\$1,493,383	\$1,373,932	92%
Total Revenues	\$11,890,545	\$12,295,219	103%	\$12,046,332	\$12,763,119	106%

Notes:

4: **Interest Income** – Noted a \$131k increase in interest income from September 2022 to September 2023. Increase is attributed to the Federal Reserves continued interest rate hikes made in the current year.

5: **Service Charges Enterprise Funds** – Noted a \$237k increase in service charges from September 2022 to September 2023. Increase is due to the amount including sanitation activity in FY 2023 and not in FY 2022. This is the result of recording sanitation activity in its own enterprise fund effective 10/1/2022.

6: **School Resource Officer** – School Resource Officer revenue increased \$67k due to an additional officer being placed at Midway ISD in the current year. Increase was expected and budgeted.

7: **Family Center Revenues** – Family Center Revenues directly correlates with the number of leagues, clinics, special events, and party room rentals. Increase in FY 2023 revenue is due to more sports leagues and clinics being held in the current year compared to the prior year.

8: **Grant & Insurance Proceeds**– Historically, insurance and grant receipts were recorded in the expenditure line item where related costs were incurred. Effective 10/1/2022, insurance and grant proceeds are now recorded in their own revenue line item.

9: **Transfer from Tourism Fund** – Increase was expected and budgeted to account for the increase in CBA operating budget.

General Fund Expenditures

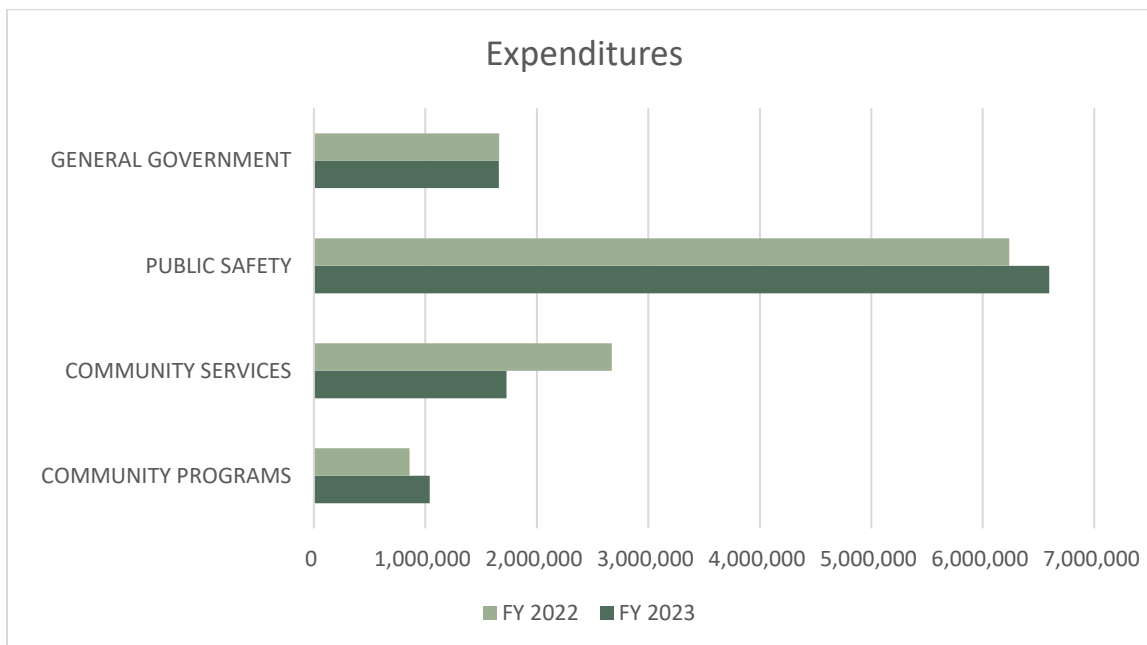
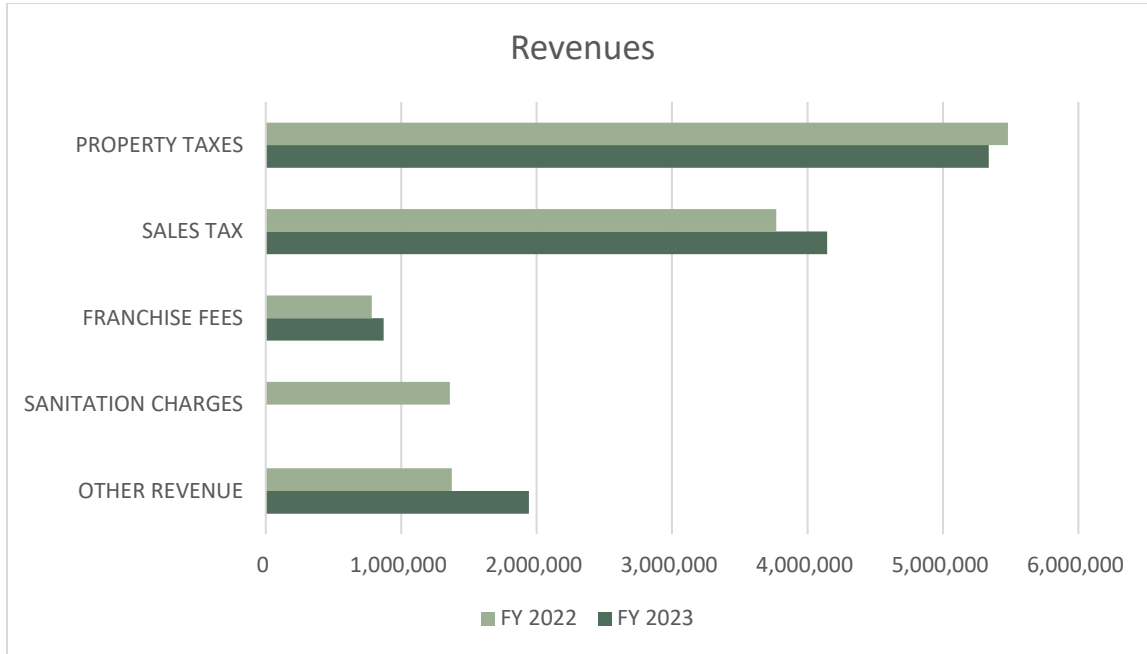
Expenditures by Division	FY 2023			FY 2022		
	BUDGET	YTD	%	BUDGET	YTD	%
General Government						
City Secretary	\$254,266	\$229,754	90%	\$228,159	\$236,031	103%
Administration	804,047	762,767	95%	758,420	746,678	98%
1 Finance	519,246	479,603	92%	483,637	433,936	90%
Non-Departmental	245,650	187,506	76%	205,000	246,310	120%
Total General Government	\$1,823,209	\$1,659,630	91%	\$1,675,216	\$1,662,955	99%
Public Safety						
Public Safety	\$6,835,356	\$6,368,678	93%	\$6,407,242	\$6,024,843	94%
Municipal Court	245,616	227,463	93%	229,179	212,326	93%
Total Public Safety	\$7,080,972	\$6,596,141	93%	\$6,636,421	\$6,237,169	94%
Community Services						
2 Streets	\$553,408	\$561,461	101%	\$530,571	\$503,002	95%
Sanitation	-	-		1,053,325	1,133,566	108%
Parks	509,040	463,730	91%	486,515	454,616	93%
2 Public Buildings	259,257	254,607	98%	213,148	197,308	93%
2 Administration/Inspections	460,146	449,153	98%	350,391	383,543	109%
Total Community Services	\$1,781,851	\$1,728,950	97%	\$2,633,950	\$2,672,035	101%
Community Programs						
Community Development	\$53,675	\$26,717	50%	\$53,675	\$45,001	84%
Youth Commission	3,050	2,079	68%	3,050	1,983	65%
3 Carleen Bright Arboretum	723,070	665,051	92%	680,121	573,510	84%
2 Woodway Family Center	424,718	345,610	81%	363,899	238,311	65%
Total Community Programs	\$1,204,513	\$1,039,458	86%	\$1,100,745	\$858,805	78%
Total Expenditures	\$11,890,545	\$11,024,179	93%	\$12,046,332	\$11,430,964	95%

Notes:

- 1: Finance** – Increase in expenditures incurred from having two Finance Directors in the current year, and a large vacation pay-out to the former Finance Director upon his retirement.
- 2: Streets/Public Buildings/Admin/Inspections/WFC** – Increase in expenditures correlates with increase in budget along with uptick in repair & maintenances costs incurred.
- 3: Carleen Bright Arboretum** – Increase in CBA expenditures due to overages in buildings & grounds repairs & maintenance incurred in order to keep the grounds open.

General Fund Comparison

YTD FY22 vs. YTD FY23



Sales & Use Tax Comparison

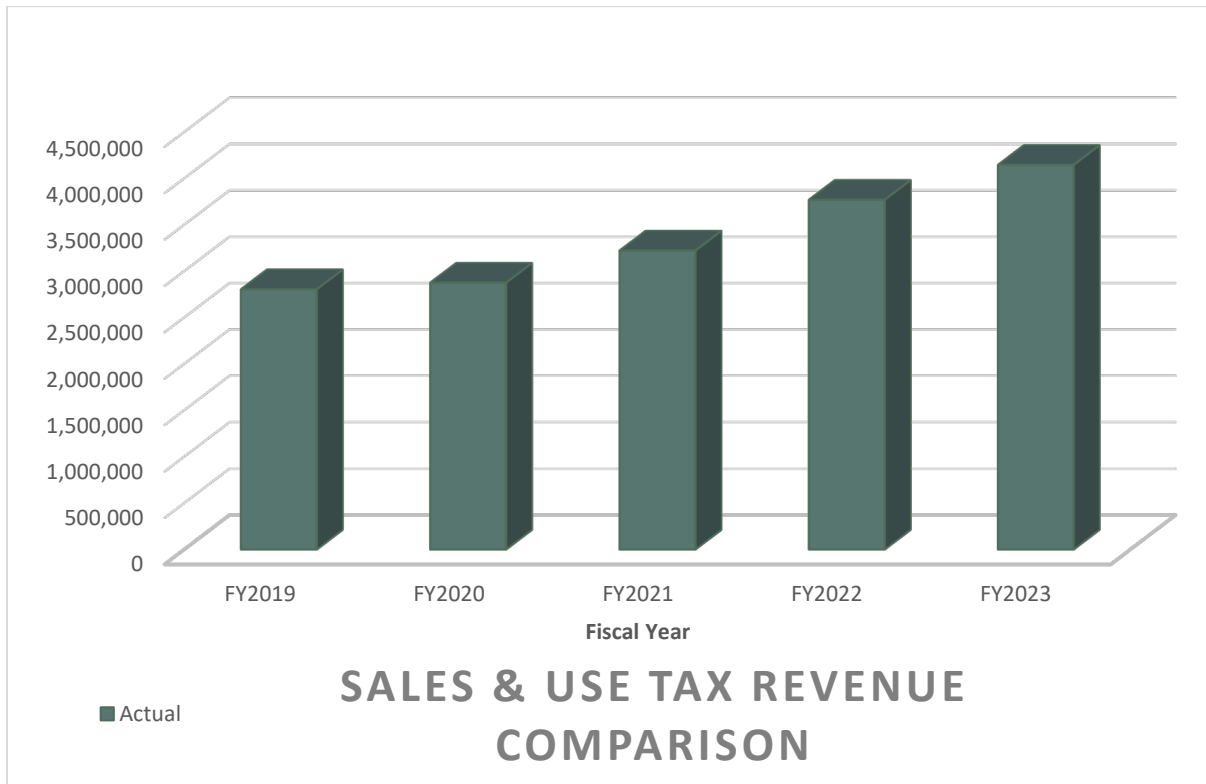
Sales & Use Tax Comparison September 30, 2023

Month	Prior Year			Current Year			
	Budget	Actual	%	Budget	Actual	Budget v. Actual \$	Budget v. Actual %
October	\$250,905	\$303,056	8.04%	316,079	344,616	\$ 28,537	9.03%
November	\$295,220	\$398,296	10.57%	415,411	372,969	(42,442)	-10.22%
December	\$255,533	\$229,953	6.10%	239,835	343,848	104,013	43.37%
January	\$247,420	\$309,317	8.21%	322,609	316,273	(6,336)	-1.96%
February	\$302,773	\$365,751	9.71%	381,468	414,784	33,316	8.73%
March	\$250,268	\$273,416	7.26%	285,166	310,823	25,657	9.00%
April	\$208,421	\$257,121	6.82%	268,171	304,576	36,405	13.58%
May	\$338,951	\$362,644	9.62%	378,227	387,598	9,371	2.48%
June	\$269,778	\$314,539	8.35%	328,056	330,637	2,581	0.79%
July	\$283,715	\$307,401	8.16%	320,611	323,157	2,547	0.79%
August	\$324,126	\$350,168	9.29%	365,215	368,619	3,403	0.93%
September	\$158,889	\$299,292	7.94%	312,153	342,762	30,609	9.81%

380 Agreement Rebates (2,681)

(15,695)

Total \$3,186,000 \$3,768,272 \$3,186,000 \$4,144,967 \$227,662 86%

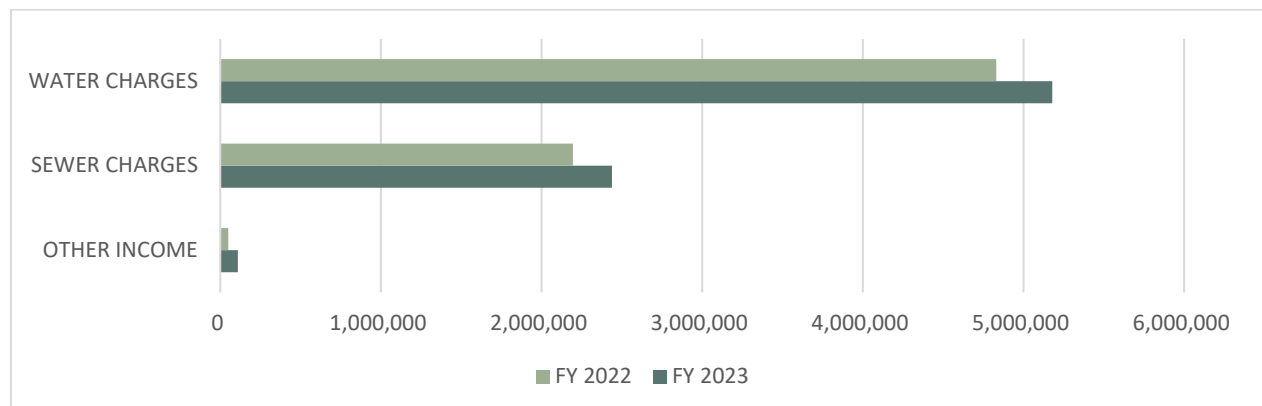


Utility Fund Revenues

Revenue Source	FY 2023			FY 2022		
	BUDGET	YTD	%	BUDGET	YTD	%
WATER SERVICE CHARGES						
Water Sales -Residential	\$3,289,000	\$3,878,374	118%	\$3,200,000	\$3,717,782	116%
Water Sales - Commercial	757,000	935,850	124%	750,000	865,180	115%
1 Water Sales - Wholesale	126,000	236,359	188%	115,200	115,200	100%
Water Taps	50,000	39,150	78%	72,500	40,400	56%
Reconnects & Transfers	85,000	89,715	106%	72,500	92,713	128%
Total Water Charges	\$4,307,000	\$5,179,448	120%	\$4,210,200	\$4,831,275	115%
SEWER SYSTEM CHARGES						
2 Sewer Charges - Residential	\$2,130,000	\$2,201,778	103%	\$1,950,000	\$1,985,874	102%
2 Sewer Charges - Commercial	197,000	220,250	112%	171,000	191,449	112%
Sewer Taps	15,000	16,025	107%	12,500	17,950	144%
Total Sewer Charges	\$2,342,000	\$2,438,053	104%	\$2,133,500	\$2,195,273	103%
OTHER INCOME						
3 Interest Income	\$4,000	\$18,285	457%	\$3,800	\$7,156	188%
Miscellaneous Income	20,000	410	2%	38,000	42,840	113%
4 Insurance Proceeds	-	91,206		-	-	
Total Other Income	\$24,000	\$109,901	458%	\$41,800	\$49,995	120%
Total Income	\$6,673,000	\$7,727,403	116%	\$6,385,500	\$7,076,543	111%

Notes:

- Water Wholesales** – Increase in wholesale water purchased is due to the drought. Wholesale Water Sales is where the City records monthly purchases from Bluebonnet Water Supply that are passed through and reimbursed by the City of Waco. Total gallons purchased from Bluebonnet Water Supply were 60,833,000 gallons in FY 23 compared to 36,000,000 gallons in FY 22.
- Sewer Charges** – Noted a combined \$245k increase in residential and commercial sewer charges. Increase is attributed to the increase in sewer rates adopted to pay for the sewer line project and increased charges from City of Waco’s sewer treatment.
- Interest Income** – Noted an \$11k increase in interest income from September 2022 to September 2023. Increase is attributed to the Federal Reserves continued interest rate hikes made in the current year.
- Insurance Proceeds** – Increase due to TML claims submitted for well failures that occurred in FY 23.

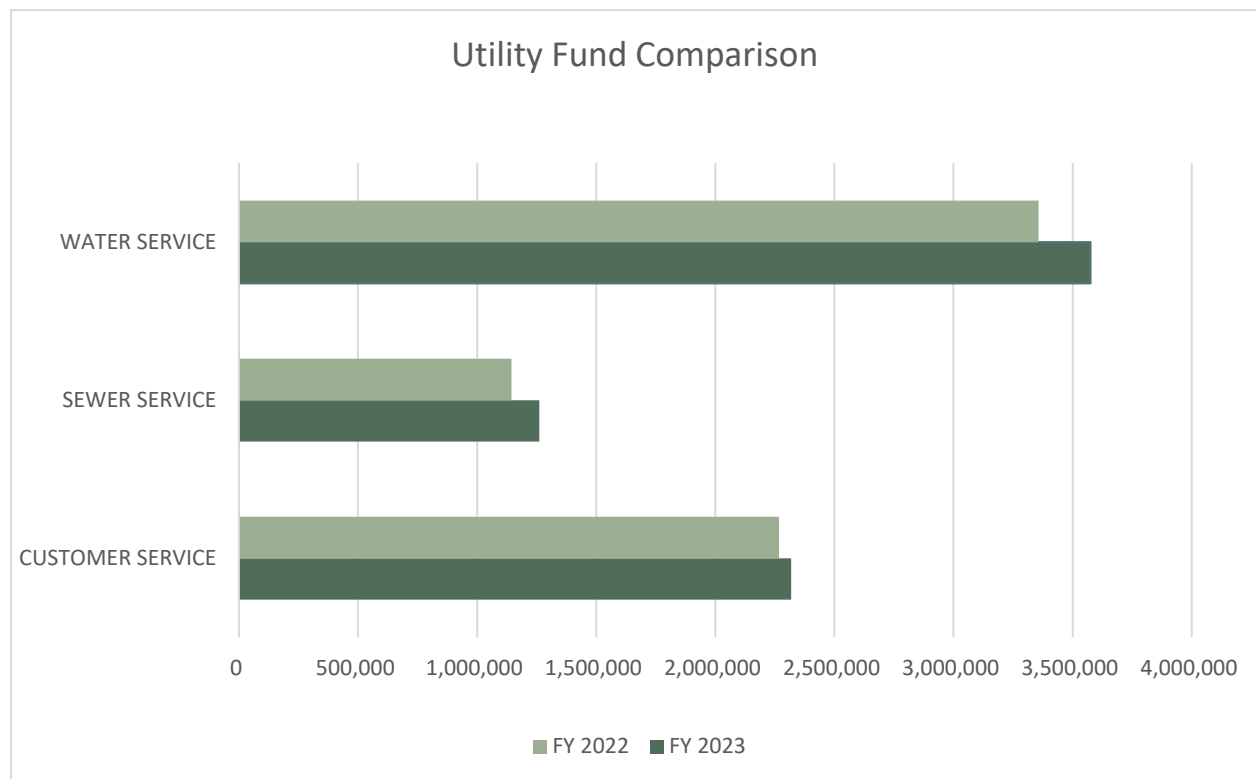


Utility Fund Expenses

Expenses by Division	FY 2023			FY 2022		
	BUDGET	YTD	%	BUDGET	YTD	%
Water Service	\$ 2,958,758	\$ 3,575,240	121%	\$ 2,898,935	\$ 3,356,715	116%
1 Sewer Service	1,401,052	1,261,238	90%	1,211,402	1,144,535	94%
Customer Service	2,313,190	2,318,144	100%	2,275,163	2,266,776	100%
Total Expenses	\$ 6,673,000	\$ 7,154,622	107%	\$ 6,385,500	\$ 6,768,026	106%

Notes:

1: Sewer Service – Increase in expense correlates with increase in budget along with uptick in repair & maintenances costs incurred for lift stations and equipment.



Water System

	FY2023	FY2022
Revenues:		
Water Sales	\$5,050,583	\$4,698,162
Water Taps	39,150	40,400
Reconnects & Transfers	89,715	92,713
Other Income (75%)	82,426	37,497
Total Revenues	\$5,261,874	\$4,868,771
Expenses:		
Water Service	\$3,575,240	\$3,356,715
Customer Services less Debt Service (75%)	360,477	325,761
Debt Service	114,538	116,413
Total Expenses	\$4,050,255	\$3,798,889
Increase in net position	\$1,211,619	\$1,069,882

Sewer System

	FY2023	FY2022
Revenues:		
Sewer Charges	\$2,422,028	\$2,177,323
Sewer Taps	16,025	17,950
Other Income (25%)	27,475	12,499
Total Revenues	\$2,465,529	\$2,207,771
Expenses:		
Sewer Service	\$1,261,238	\$1,144,535
Customer Services less Debt Service (25%)	120,159	108,587
Debt Service	1,722,970	1,716,015
Total Expenses	\$3,104,367	\$2,969,137
(Decrease) in net position	(\$638,839)	(\$761,366)
Net water/sewer increase in net position	\$572,780	\$308,517

Sanitation Fund Revenues & Expenses

FY 2023			
Revenue Source	BUDGET	YTD	%
Sanitation Fund			
Waste Collection Franchise	\$ -	\$ 50,530	
Residential	920,000	913,972	99%
Commercial	650,000	629,972	97%
Total Sanitation Charges	\$ 1,570,000	\$ 1,594,474	102%

FY 2023			
Expenses	BUDGET	YTD	%
Sanitation Fund			
Service Charges-GF	\$ 222,580	\$ 222,580	100%
Disposal-Landfill	240,420	220,384	92%
Residential	660,000	642,291	97%
Commercial	430,000	395,689	92%
Hazard Waste	17,000	11,945	70%
Total Expenses	\$ 1,570,000	\$ 1,492,888	95%

Prior Year Comparison

(Recorded in General Fund in FY 2022)

FY 2022			
Revenue Source	BUDGET	YTD	%
SANITATION CHARGES			
Residential	\$ 745,000	\$ 807,298	108%
Commercial	500,000	550,029	110%
Recycling	3,000	2,000	67%
Total Sanitation Charges	\$ 1,248,000	\$ 1,359,327	109%
Expenses	BUDGET	YTD	%
Sanitation	1,053,325	1,133,566	108%

Cash Accounts

September 30, 2023

Type	Account Name	Bank Balance 6/30/2023	Bank Balance 9/30/2023	\$ Variance	% Variance
Checking Accounts					
	Combined Operating Fund	\$ -	\$ 6,367	\$ -	
	CBA Interest Proceeds	276	276	-	0%
	Payroll	-	-	-	
	Subtotal:	276	6,643	-	0%
Money Market Investment Accounts					
	Combined Investment	\$19,197,191	\$15,803,796	\$ (3,393,395)	-18%
	Water Deposit Escrow	133,702	121,018	(12,685)	-9%
	Builder's Deposits	333,620	336,149	2,529	1%
	Subtotal:	19,664,513	16,260,963	(3,403,550)	-17%
Savings Accounts					
	Drug Seizure Restricted Fund	\$ 8,738	\$ 8,782	\$ 44	1%
	Asset Forfeiture Restricted Fund	72,213	40,788	(31,425)	-44%
	Subtotal:	80,951	49,570	(31,381)	-39%
Total Cash Accounts		\$19,745,740	\$16,317,176	\$ (3,434,932)	-17%

Notes:

Decrease in cash accounts attributed to the following:

1. \$1,843,916 debt service payments made 8/11/2023
2. \$1,000,000 certificate of deposit investment made 9/18/2023
3. Routine budgeted expenditures from July-September 2023

Investments

September 30, 2022

Certificates of Deposit		Interest	Balance			Balance	Accrued
Account Name	CD #	Rate	06/30/2023	Additions	Maturities	09/30/2023	Interest
FNBCT*	150046	5.75%	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 315
Date of Maturity 09/18/2024							
			\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 315

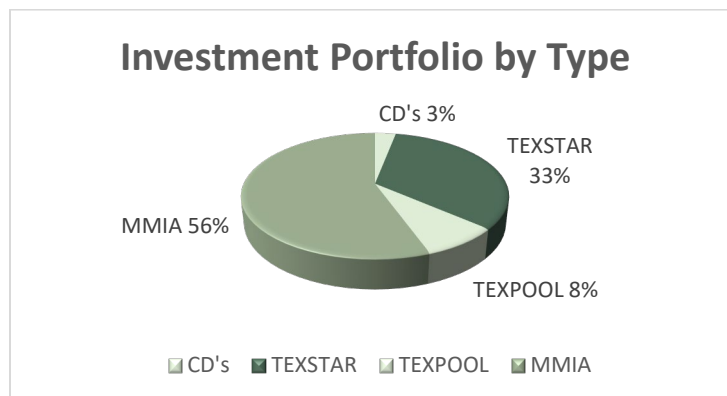
Texpool		Average	Balance			Balance	Accrued
Account Name	Account	Interest	06/30/2023	Additions	Withdrawals	09/30/2023	Interest
General Fund	1551700003	5.25%	\$ 2,227,676	\$ 29,605	\$ -	\$ 2,257,281	\$ -
Utility Fund	1551700001	5.25%	\$ 84,634	\$ 1,125	\$ -	\$ 85,759	\$ -
Total Texpool			\$ 2,312,310	\$ 30,730	\$ -	\$ 2,343,039	\$ -

TexStar		Average	Balance			Balance	Accrued
Account Name	Account	Interest	06/30/2023	Additions	Withdrawals	09/30/2023	Interest
2021 Utility Improvements	2021-000	5.24%	\$ 8,167,963	\$ 104,618	\$ (791,693)	\$ 7,480,887	\$ -
2021 WFC Improvements	2021-001	5.24%	\$ 3,541,654	\$ 40,575	\$ (1,160,176)	\$ 2,422,053	\$ -
Total TexStar			\$ 11,709,616	\$ 145,193	\$ (1,951,869)	\$ 9,902,940	\$ -

Total Investments	\$ 14,021,926	\$ 1,175,922	\$ (1,951,869)	\$ 13,245,979	\$ 315
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*CD is invested as followed: \$500,000 General Fund; \$250,000 General Emergency Reserve Fund ; \$250,000 Utility Emergency Reserve Fund

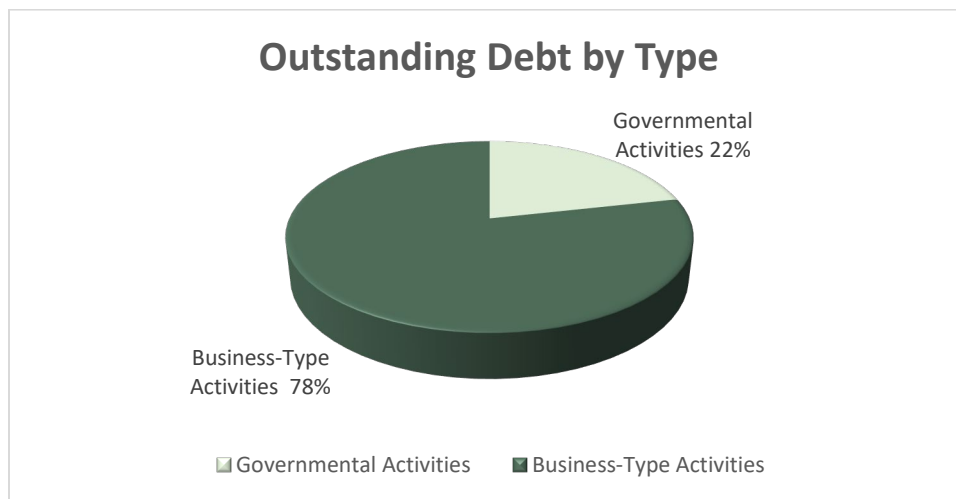
I certify, to the best of my knowledge, that the foregoing investments were made in compliance with the City of Woodway's Investment Policy as amended December, 2017 and the Public Funds Investment Act.



Outstanding Debt

	Outstanding at 9/30/2023	Due within one year	Maturity Date
Governmental Activities:			
Certificate of Obligation 2011	\$ 195,000	\$ 95,000	2025
Certificate of Obligation 2021	6,025,000	170,000	2046
	\$ 6,220,000	\$ 265,000	
Business-Type Activities:			
GO Refunding Bond 2016	\$ 1,445,000	\$ 350,000	2027
Certificate of Obligation 2016	2,105,000	245,000	2031
Certificate of Obligation 2017	8,335,000	290,000	2042
Certificate of Obligation 2021	10,575,000	295,000	2046
	\$ 22,460,000	\$ 1,180,000	
Total	\$ 28,680,000	\$ 1,445,000	

Total Cash & Investments **29,049,775**
 Cash & Investments/Debt Ratio **1.01**



Tourism Fund Revenues

Revenue Source	FY 2023			FY 2022		
	BUDGET	YTD	%	BUDGET	YTD	%
Hotel Occupancy Tax	\$875,000	\$840,908	96%	\$650,000	\$867,525	133%
Interest Income	\$3,000	\$10,697	357%	\$5,000	\$4,988	100%
Total Income	<u>\$878,000</u>	<u>\$851,605</u>	97%	<u>\$655,000</u>	<u>\$872,513</u>	133%

Tourism Fund Expenditures

Expenditures by Division	FY 2023			FY 2022		
	BUDGET	YTD	%	BUDGET	YTD	%
Category A						
Principal	\$95,000	\$95,000	100%	\$90,000	\$90,000	100%
Interest	11,600	11,600	100%	15,200	15,200	100%
Paying Agent Fees	300	-	0%	300	-	0%
Schools/Conferences	-	397		2,000	-	0%
Special Studies	-	-		-	17,000	
Contract Labor	-	-		-	49,000	
1 Transfer to General Fund	415,970	402,998	97%	458,021	318,335	70%
Transfer to CBA Construction Fund	-	-		-	300,000	
CBA Emergency Repairs	-	26,674				
Category C						
Tourism Advertising & Promotions	125,000	133,592	107%	92,857	160,953	173%
Total Expenditures	<u>\$647,870</u>	<u>\$670,261</u>	103%	<u>\$658,378</u>	<u>\$950,488</u>	144%

Notes:

1: **Transfer to General Fund** – Annual transfer made to fund Arboretum Operations. Increase due to an increase in CBA budget in FY 23.

For Twelve Months Ended September 30, 2023
100% of Fiscal Year Expired

