



CITY OF
WOODWAY, TX

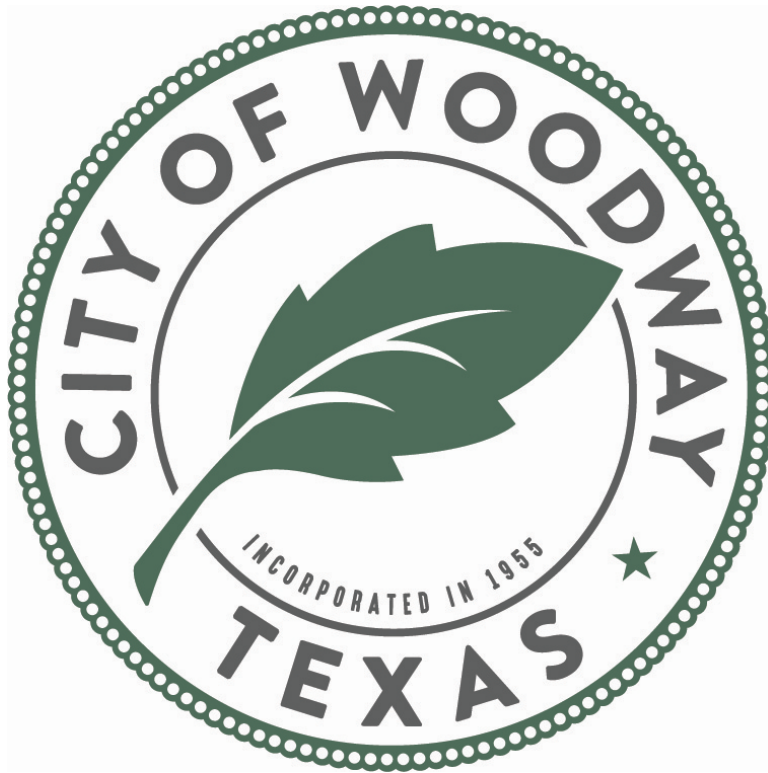
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2023

**ANNUAL
FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2023





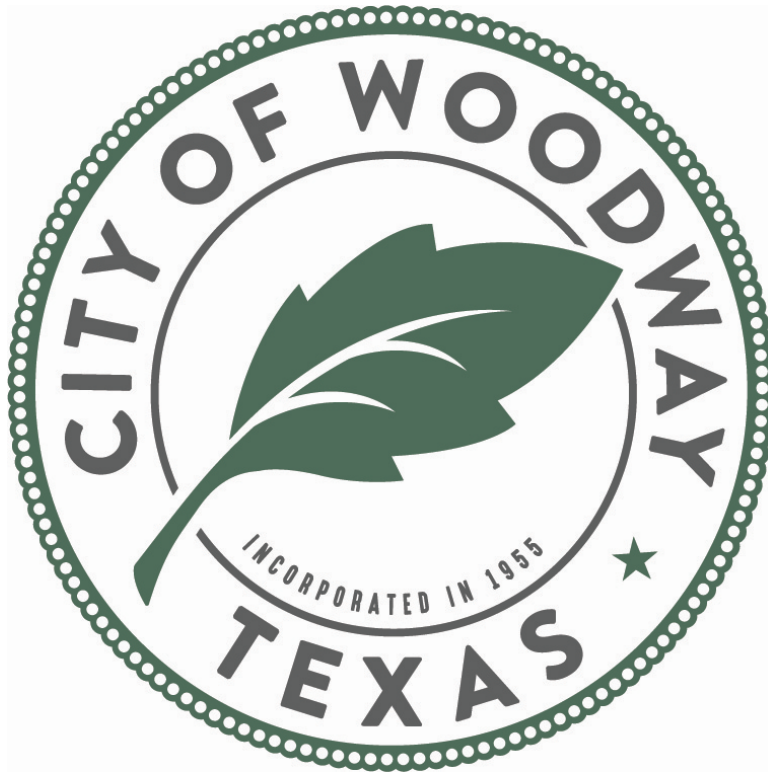
ANNUAL FINANCIAL REPORT

of the

City of Woodway, Texas

**For the Year Ended
September 30, 2023**

Prepared by:
Finance Department



City of Woodway, Texas

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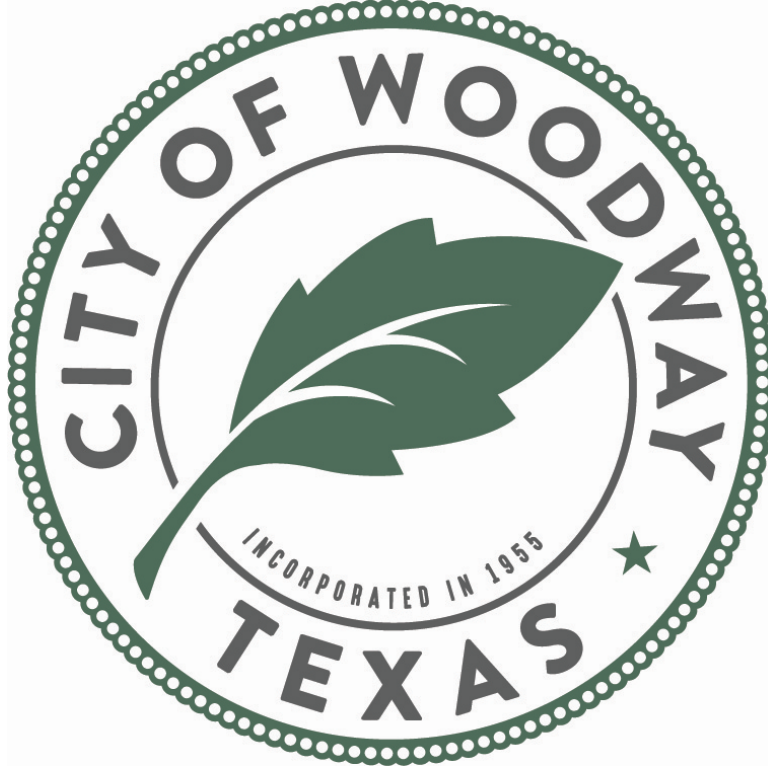
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Woodway, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodway, Texas (the "City") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodway, 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 for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Emphasis of Matter

As discussed in Note V.E to the financial statements, due to corrections to accrued liabilities in the prior year, the City restated its beginning net position/fund balance within governmental activities, business-type activities, the nonmajor governmental funds, and the water and sewer fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, and schedule of changes in the other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

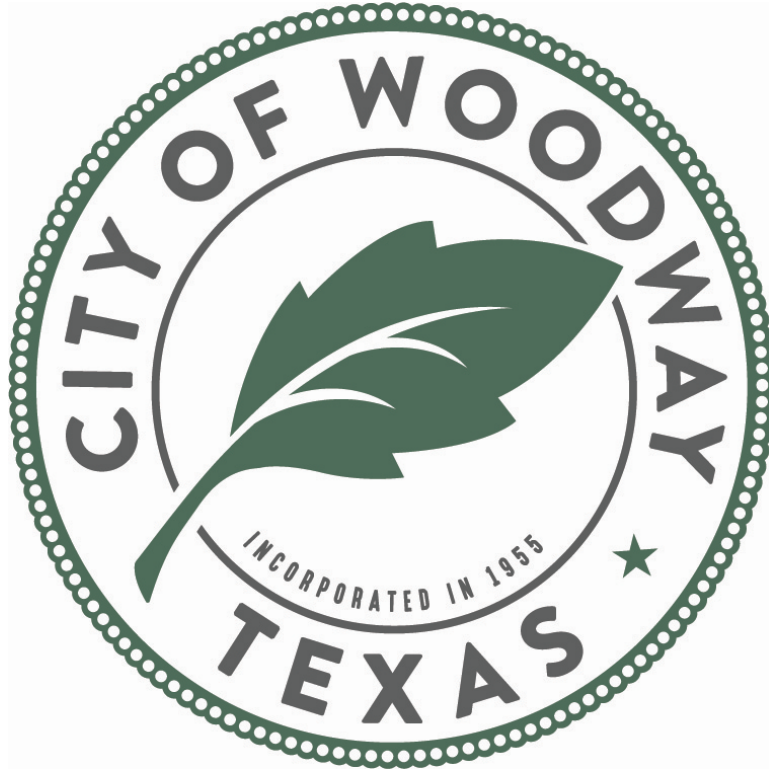
We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Brooks Watson & Co.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
March 22, 2024



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



City of Woodway, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2023

As management of the City of Woodway, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

Financial Highlights

- The City's total combined net position was \$56,288,836 at September 30, 2023. Of this, \$12,318,454 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$17,869,238, a decrease of \$4,492,447.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,595,848 or 32% of total general fund expenditures.
- The City had an overall increase in net position of \$2,078,102, which is primarily due to new capital investments and reduction of long-term debt in the current year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City'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) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Woodway, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2023

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing 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 of Woodway, Texas maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, Family Center capital projects, and general capital projects funds, which are considered to be major funds. Fund data for the remaining nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Woodway, Texas adopts an annual appropriated budget for its general fund and two capital projects funds. A budgetary comparison schedule has been provided to demonstrate compliance with the general fund budget.

Proprietary Funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution, wastewater collection/treatment water construction operations, and sanitation services. The proprietary fund financial statements

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

provide separate information for the water and sewer fund and sanitation fund. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to Financial Statements. The notes to the financial statements provide additional information that is necessary to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pension.

Government-Wide Financial Analysis

As noted previously, net position over time, may serve as a useful indicator of the City's financial position. For the City of Woodway, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$56,288,836 as of September 30, 2023.

The largest portion of the City's net position, \$41,111,608, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Total capital assets of the primary government increased by \$7,135,109 or 13% due to the construction of the family center and continued investment in utility infrastructure.

Total long-term liabilities of the primary government increased by \$3,074,227 or 9% due to an increase in the City's net pension liability over the course of the year.

Total deferred outflows of the primary government increased and total deferred inflows of the primary government decreased by \$2,205,849 and 1,752,591, respectively. These changes are strictly due to actuarial changes in the City's pension inputs over the course of the year.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2023			2022		
	Governmental	Business-Type		Governmental	Business-Type	
	Activities	Activities	Total	Activities	Activities	Total
Current and other assets	\$ 19,843,672	\$ 13,487,387	\$ 33,331,059	\$ 24,707,553	\$ 14,975,985	\$ 39,683,538
Capital assets, net	31,642,406	31,297,087	62,939,493	26,827,776	28,976,608	55,804,384
Total Assets	51,486,078	44,784,474	96,270,552	51,535,329	43,952,593	95,487,922
Deferred Outflows	3,134,514	435,380	3,569,894	1,151,505	212,540	1,364,045
Other liabilities	2,504,308	4,641,312	7,145,620	3,001,291	4,555,588	7,556,879
Long-term liabilities	12,805,099	23,472,271	36,277,370	9,048,700	24,154,443	33,203,143
Total Liabilities	15,309,407	28,113,583	43,422,990	12,049,991	28,710,031	40,760,022
Deferred Inflows	122,195	6,425	128,620	1,662,787	218,424	1,881,211
Net Position:						
Net investment						
in capital assets	26,845,435	14,266,173	41,111,608	25,822,862	14,457,391	40,280,253
Restricted - expendable	1,431,249	577,904	2,009,153	1,057,102	479,041	1,536,143
Restricted - nonexpendable	849,621	-	849,621	824,209	-	824,209
Unrestricted	10,062,685	2,255,769	12,318,454	11,269,883	300,246	11,570,129
Total Net Position	\$ 39,188,990	\$ 17,099,846	\$ 56,288,836	\$ 38,974,056	\$ 15,236,678	\$ 54,210,734

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

Statement of Activities:

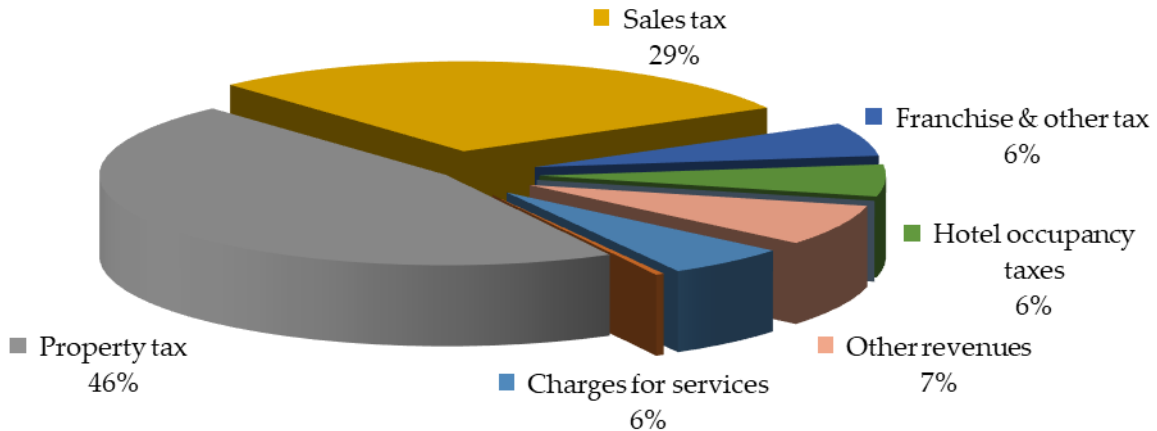
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2023			For the Year Ended September 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 825,079	\$ 9,130,939	\$ 9,956,018	\$ 2,087,564	\$ 7,190,513	\$ 9,278,077
Grants & contri.	56,768	-	56,768	44,358	-	44,358
General revenues:						
Property tax	6,667,197	-	6,667,197	6,688,700	-	6,688,700
Sales tax	4,167,844	-	4,167,844	3,784,486	-	3,784,486
Franchise & other tax	869,231	-	869,231	780,753	-	780,753
Hotel occupancy taxes	831,254	-	831,254	867,525	-	867,525
Investment income, net	843,079	528,314	1,371,393	31,381	98,016	129,397
Other revenues	327,068	124,626	451,694	398,405	76,578	474,983
Total Revenues	14,587,520	9,783,879	24,371,399	14,683,172	7,365,107	22,048,279
Expenses						
General government	2,208,337	-	2,208,337	1,832,364	-	1,832,364
Public safety	7,103,417	-	7,103,417	6,147,066	-	6,147,066
Highways & streets	1,857,450	-	1,857,450	1,002,204	-	1,002,204
Sanitation	-	1,363,845	1,363,845	1,134,755	-	1,134,755
Economic dev.	901,963	-	901,963	754,995	-	754,995
Culture & recreation	1,649,861	-	1,649,861	1,481,062	-	1,481,062
Interest & fiscal chrgs.	171,810	-	171,810	212,913	-	212,913
Water & sewer	-	7,036,614	7,036,614	-	5,902,168	5,902,168
Total Expenses	13,892,838	8,400,459	22,293,297	12,565,359	5,902,168	18,467,527
Change in Net Position						
Before Transfers	694,682	1,383,420	2,078,102	2,117,813	1,462,939	3,580,752
Transfers in (out)	(479,748)	479,748	-	133,962	(133,962)	-
Total	(479,748)	479,748	-	133,962	(133,962)	-
Change in Net Position	214,934	1,863,168	2,078,102	2,251,775	1,328,977	3,580,752
Beginning Net Position	38,974,056	15,236,678	54,210,734	36,722,281	13,907,701	50,629,982
Ending Net Position	\$ 39,188,990	\$ 17,099,846	\$ 56,288,836	\$ 38,974,056	\$ 15,236,678	\$ 54,210,734

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

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

Governmental Activities - Revenues

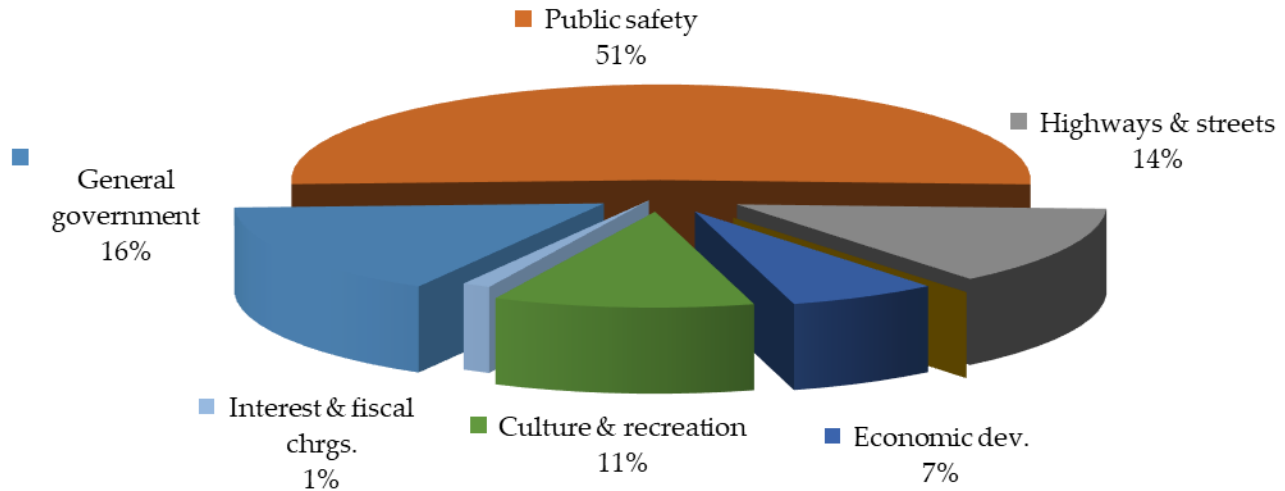


For the year ended September 30, 2023, revenues from governmental activities totaled \$14,587,520. Overall revenues decreased by \$95,652 or 1%. Sales tax and property tax are the City's largest revenue sources. Grants and contributions increased by \$12,410 or 28% prior due to nonrecurring public safety capital contributions received in the current year. Sales taxes and franchise taxes increased by \$383,358 or 10% and \$88,478 or 11%, respectively, resulting from economic growth fueled by local purchases. Charges for services decreased by \$1,262,485 or 60% due to sanitation related services being moved to a separate fund and reclassified as a proprietary fund and accounted for in business-type activities in the current year. Investment income increased by \$811,698 or over 100% as a result of higher interest rates and nonrecurring losses recognized on the Arboretum endowment investments in the prior year. Other revenues decreased by \$71,337 or 15% primarily due to nonrecurring proceeds received from sale of capital assets in the prior year. All other revenues remained relatively stable when compared to the prior year.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

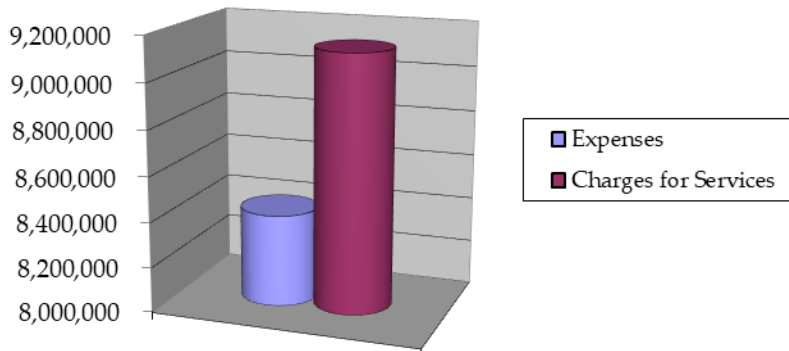


For the year ended September 30, 2023, expenses for governmental activities totaled \$13,892,838. This represents an increase of \$1,327,479 or 11% compared to the prior year. The City's largest functional expense is public safety of \$7,103,417, which increased by \$956,351 or 16% primarily due to an increase in personnel costs related to salary increases due to inflation. In addition, the increase is related to greater machinery and equipment purchases and related repairs and maintenance in the current year. General government expenses increased by \$375,973 or 21% primarily due to greater personnel costs resulting from merit and cost of living raises. Highways and street expenses increased by \$855,246 or 85% primarily due to nonrecurring cost of non-capital street repair projects throughout the City in the current year. Sanitation expenses decreased by \$1,134,755 or 100% due to the reclassification of sanitation related activities into a separate fund, which are now included in the proprietary statements in the current year. Interest and fiscal charges decreased by \$41,103 or 19% primarily as a result of nonrecurring additional interest payments made on the 2021 Family Center bond in the previous year. All other expenses remained relatively stable when compared to the prior year.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2023, charges for services by business-type activities totaled \$9,130,939. This is an increase of \$1,940,426, or 27%. Total expenses increased by \$1,134,446 or 19%. Both variances are directly related to the new sanitation fund reclassified from governmental activities to its own individual proprietary fund in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At September 30, 2023, the City's governmental funds reported combined fund balances of \$17,869,238, a decrease of \$4,492,447 in comparison with the prior year. Approximately 20% of this amount, \$3,595,848, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is either 1) not in spendable form, \$905,491, 2) restricted for particular purposes, \$3,886,087, 3) committed for specific purposes, \$9,354,453, or 4) assigned for particular purposes, \$127,359.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

As of the end of the year the general fund reflected a total fund balance of \$4,955,079. The general fund increased by \$599,025. This is primarily a result of actual revenues exceeding budgeted revenues, and less than anticipated expenditures over the course of the year.

The Family Center Improvements fund reflected a fund balance of \$2,503,450, a decrease of \$4,565,320 compared to the prior year, which is a direct result of current year capital outlay expenditures exceeding investment income.

The general capital projects fund reflected a fund balance of \$4,171,393, a decrease of \$1,612,355, which is primarily due to capital outlay expenditures combined with transfers out of the fund exceeding investment income.

There was an overall decrease in the governmental fund balance of \$4,492,447. This is primarily due to expenditures exceeding current year revenues and other financing sources.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a positive budget variance of \$1,305,569 before other financing sources and uses in the general fund, and a total positive budget variance of \$1,471,725 after other financing sources and uses. Budgeted revenue were less than actual revenue by \$421,935. Total actual expenditures were \$883,634 under budget.

Expenditures exceeded appropriations at the legal level of control in the amount of \$5,676 for highways and streets. All other departmental expenditures were less than budgeted.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$31,642,406 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$31,297,087 in a variety of capital assets and infrastructure, net of accumulated depreciation.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2023

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

- Building improvements to City Hall and other public buildings totaling \$46,363.
- Improvements to the family center totaling \$4,545,854.
- Purchased a breathing apparatus for the public safety department for \$140,010.
- Purchased an Axon body camera for \$30,959.
- Purchased playground equipment for \$239,135.
- Installed a splash pad at the Carleen Bright Arboretum for \$141,524.
- Various street improvements totaling \$516,184.
- Installed Arboretum signage for \$30,380.
- Installed new fencing at the Arboretum for \$24,905.
- Purchased a Bearcat Armored vehicle for \$169,725.
- Purchased five Chevy Tahoes for the public safety department totaling \$225,446.
- Made improvements to the public safety vehicles for \$112,252.
- Purchased an equipment shed for \$81,253.
- Improvements to the sewer system totaling \$3,098,447.
- Improvements to pump stations and tanks totaling \$154,275.
- Purchased an air compressor for \$32,167.
- Purchased a new sewer camera for \$80,000.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$28,680,000. The outstanding bonds consist of \$1,445,000 of General Obligation Refunding Bonds and \$27,235,000 of Certificates of Obligations. The City made \$1,400,000 in principal payments on outstanding bonds. More detailed information about the City's long-term liabilities is presented in note IV.G to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Woodway, Texas and improving services provided to their public citizens. The City is budgeting conservatively for the upcoming year and planning to maintain similar services.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Woodway, Texas's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, 922 Estates Drive Woodway, Texas 76712.

FINANCIAL STATEMENTS

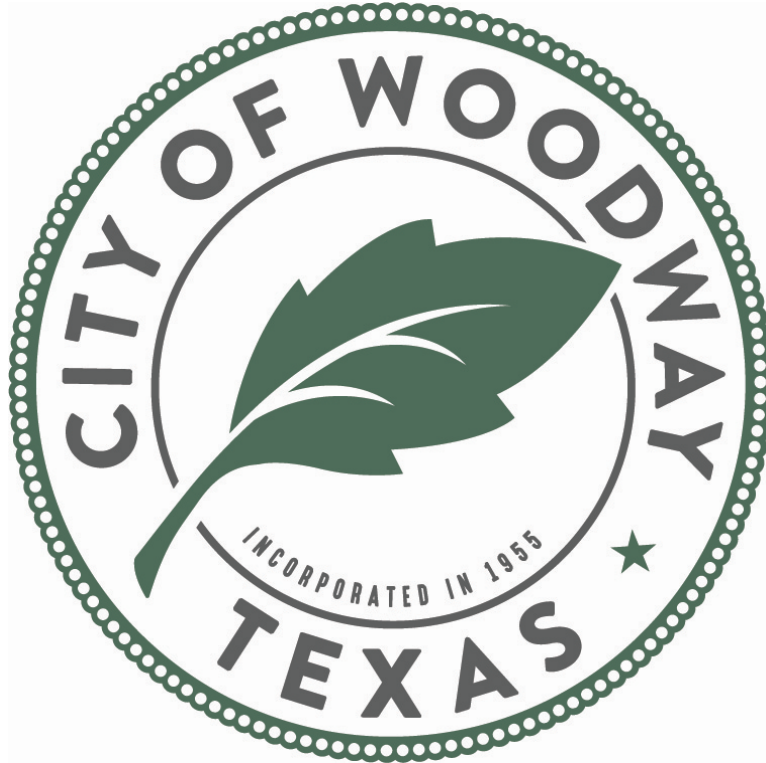
City of Woodway, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 17,139,787	\$ 11,804,665	\$ 28,944,452
Investments	1,417,990	250,000	1,667,990
Receivables, net	1,075,778	1,500,194	2,575,972
Prepays	55,870	15,682	71,552
Internal balances	83,154	(83,154)	-
Lease receivable, current	16,354	-	16,354
Total Current Assets	19,788,933	13,487,387	33,276,320
Lease receivable , noncurrent	54,739	-	54,739
Capital assets:			
Non-depreciable	5,722,242	5,305,152	11,027,394
Net depreciable capital assets	25,920,164	25,991,935	51,912,099
Total Noncurrent Assets	31,697,145	31,297,087	62,994,232
Total Assets	51,486,078	44,784,474	96,270,552
<u>Deferred Outflows of Resources</u>			
Pension outflows	3,130,414	385,853	3,516,267
OPEB outflows	4,100	505	4,605
Deferred charge on refunding	-	49,022	49,022
Total Deferred Outflows of Resources	3,134,514	435,380	3,569,894

City of Woodway, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	1,669,052	463,774	2,132,826
Accrued liabilities	-	528,535	528,535
Accrued interest payable	46,381	162,514	208,895
Unearned revenue	90,217	2,137,812	2,228,029
Customer deposits	-	109,957	109,957
Compensated absences, current	425,837	30,806	456,643
Long-term debt, current	272,821	1,207,914	1,480,735
Total Current Liabilities	2,504,308	4,641,312	7,145,620
Noncurrent liabilities:			
Long-term debt, noncurrent	6,453,474	22,691,783	29,145,257
Compensated absences, noncurrent	47,315	3,423	50,738
Net pension liability	6,121,147	754,488	6,875,635
OPEB liability	183,163	22,577	205,740
Total Noncurrent Liabilities	12,805,099	23,472,271	36,277,370
Total Liabilities	15,309,407	28,113,583	43,422,990
<u>Deferred Inflows of Resources</u>			
Lease related	70,076	-	70,076
OPEB inflows	52,119	6,425	58,544
Total Deferred Inflows of Resources	122,195	6,425	128,620
<u>Net Position</u>			
Net investment in capital assets	26,845,435	14,266,173	41,111,608
Restricted for:			
Tourism	42,956	-	42,956
Arboretum	93,337	-	93,337
Public safety	274,732	-	274,732
Debt service	49,614	-	49,614
Capital projects	48,612	-	48,612
Equipment	921,998	327,904	1,249,902
Emergency reserve	-	250,000	250,000
Endowment - nonspendable	849,621	-	849,621
Unrestricted	10,062,685	2,255,769	12,318,454
Total Net Position	\$ 39,188,990	\$ 17,099,846	\$ 56,288,836

See Notes to Financial Statements.



City of Woodway, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Family Center Improvements	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 4,001,728	\$ 3,125,958	\$ 4,480,001	\$ 5,532,100	\$ 17,139,787
Investments	750,000	-	-	667,990	1,417,990
Receivables, net	882,442	-	-	193,336	1,075,778
Prepays	55,870	-	-	-	55,870
Due from other funds	199,640	-	-	-	199,640
Lease receivables	71,093	-	-	-	71,093
Total Assets	\$ 5,960,773	\$ 3,125,958	\$ 4,480,001	\$ 6,393,426	\$ 19,960,158
<u>Liabilities</u>					
Accounts payable	\$ 733,727	\$ 622,508	\$ 308,608	\$ 4,209	\$ 1,669,052
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	116,486	116,486
Unearned revenue - rental revenue	90,217	-	-	-	90,217
Total Liabilities	823,944	622,508	308,608	120,695	1,875,755
<u>Deferred Inflows of Resources</u>					
Unavailable revenue					
Leases	70,076	-	-	-	70,076
Property taxes	111,674	-	-	33,415	145,089
Total Deferred Inflows of Resources	181,750	-	-	33,415	215,165
<u>Fund Balances</u>					
Nonspendable:					
Prepays	55,870	-	-	-	55,870
Endowment	-	-	-	849,621	849,621
Restricted for:					
Tourism	-	-	-	42,956	42,956
Arboretum	-	-	-	93,337	93,337
Public safety	4,004	-	-	270,728	274,732
Debt service	-	-	-	49,614	49,614
Capital projects	-	2,503,450	-	-	2,503,450
Equipment	921,998	-	-	-	921,998
Committed for:					
Revenue stabilization reserve	250,000	-	-	-	250,000
Capital projects	-	-	4,171,393	4,933,060	9,104,453
Assigned:					
Awards banquet	449	-	-	-	449
Purchases on order	126,910	-	-	-	126,910
Unassigned	3,595,848	-	-	-	3,595,848
Total Fund Balances	4,955,079	2,503,450	4,171,393	6,239,316	17,869,238
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,960,773	\$ 3,125,958	\$ 4,480,001	\$ 6,393,426	\$ 19,960,158

See Notes to Financial Statements.

City of Woodway, Texas
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2023

Fund Balances - Total Governmental Funds	\$	17,869,238
 Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		5,722,242
Capital assets - net depreciable		25,920,164
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		145,089
 Deferred outflows (inflows) of resources represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflow) of resources (expense/expenditure) (revenues) until then.		
Pension outflows		3,130,414
OPEB outflows		4,100
OPEB inflows		(52,119)
 Some liabilities, including bonds payable and deferred charges are not reported as liabilities in the governmental funds.		
Accrued interest		(46,381)
Premiums on bonds payable		(473,081)
Compensated absences		(473,152)
Non-current liabilities due in one year		(272,821)
Non-current liabilities due in more than one year		(5,980,393)
Net pension liability		(6,121,147)
OPEB liability		(183,163)
Net Position of Governmental Activities	\$	39,188,990

See Notes to Financial Statements.

City of Woodway, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	General Fund	Family Center Improvements	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Property tax	\$ 5,337,073	\$ -	\$ -	\$ 1,298,062	\$ 6,635,135
Sales tax	4,167,844	-	-	-	4,167,844
Franchise and local taxes	869,231	-	-	-	869,231
Hotel occupancy taxes	-	-	-	831,254	831,254
Intergovernmental revenue	27,882	-	-	-	27,882
License and permits	154,786	-	-	-	154,786
Charges for services	498,528	-	-	-	498,528
Fines and forfeitures	142,264	-	-	29,501	171,765
Investment income	187,997	236,393	167,326	251,363	843,079
Contributions and donations	7,924	-	-	20,962	28,886
Lease income	18,900	-	-	-	18,900
Other revenues	123,829	-	-	25,764	149,593
Total Revenues	11,536,258	236,393	167,326	2,456,906	14,396,883
<u>Expenditures</u>					
Current:					
General government	2,125,764	-	-	-	2,125,764
Public safety	6,963,588	-	-	48,384	7,011,972
Highways and streets	526,384	-	-	-	526,384
Economic development	685,735	-	-	-	685,735
Cultural and recreation	1,042,990	-	-	278,457	1,321,447
Debt service:					
Principal	9,150	-	-	255,000	264,150
Interest and fiscal charges	-	-	-	197,825	197,825
Capital outlay	42,364	4,801,713	929,681	723,039	6,496,797
Total Expenditures	11,395,975	4,801,713	929,681	1,502,705	18,630,074
Revenues Over (Under) Expenditures	140,283	(4,565,320)	(762,355)	954,201	(4,233,191)
<u>Other Financing Sources (Uses)</u>					
Transfers in	773,250	-	-	835,000	1,608,250
Transfers (out)	(535,000)	-	(850,000)	(702,998)	(2,087,998)
SBITA issuance	42,364	-	-	-	42,364
Sales of assets	116,598	-	-	-	116,598
Insurance recoveries	61,530	-	-	-	61,530
Total Other Financing Sources (Uses)	458,742	-	(850,000)	132,002	(259,256)
Net Change in Fund Balances	599,025	(4,565,320)	(1,612,355)	1,086,203	(4,492,447)
Beginning fund balances	4,356,054	7,068,770	5,783,748	5,153,113	22,361,685
Ending Fund Balances	\$ 4,955,079	\$ 2,503,450	\$ 4,171,393	\$ 6,239,316	\$ 17,869,238

See Notes to Financial Statements.

City of Woodway, 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

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

Net changes in fund balances - total governmental funds	\$ (4,492,447)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	6,519,748
Depreciation expense	(1,685,565)
Net book value of capital assets sold	(19,553)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	32,062
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	42,536
Accrued interest	2,950
Pension expense	(418,428)
OPEB liability	(11,220)
Amortization of debt premium	23,065

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation)

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

SBITA issuance	(42,364)
Principal payments	264,150

Change in Net Position of Governmental Activities	\$ 214,934
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See Notes to Financial Statements.

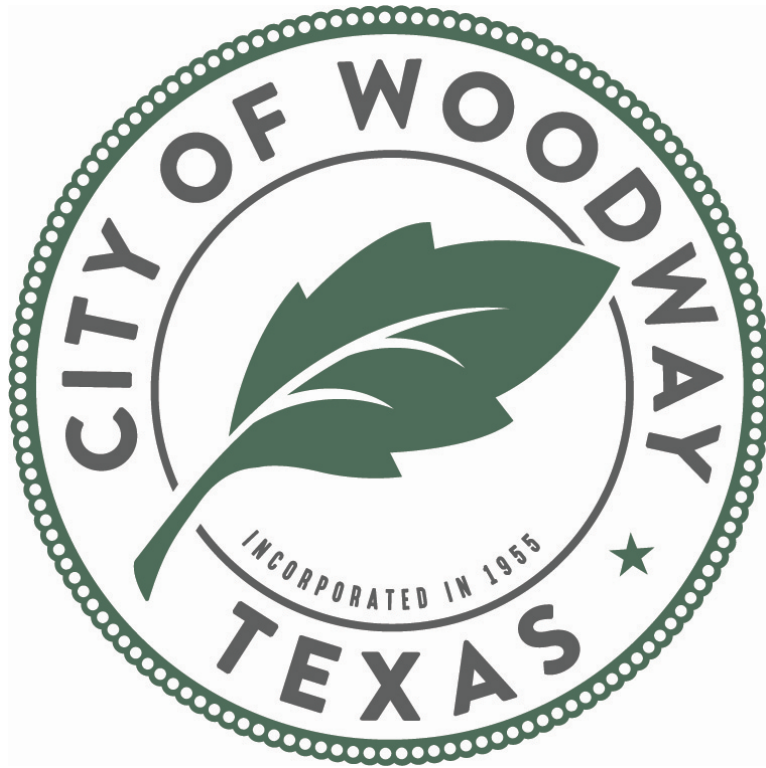
City of Woodway, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUND
September 30, 2023

	<u>Water & Sewer</u>	<u>Sanitation</u>	<u>Total</u>
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 11,800,822	\$ 3,843	\$ 11,804,665
Investments	250,000	-	250,000
Accounts receivables, net	1,270,515	229,679	1,500,194
Prepaid	15,682	-	15,682
Total Current Assets	13,337,019	233,522	13,570,541
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	5,305,152	-	5,305,152
Net depreciable capital assets	25,991,935	-	25,991,935
Total Noncurrent Assets	31,297,087	-	31,297,087
Total Assets	44,634,106	233,522	44,867,628
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	49,022	-	49,022
OPEB outflows	505	-	505
Pension outflows	385,853	-	385,853
Total Deferred Outflows of Resources	435,380	-	435,380

City of Woodway, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUND
September 30, 2023

	Water & Sewer	Sanitation	Total
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 334,874	\$ 128,900	\$ 463,774
Accrued liabilities	528,535	-	528,535
Customer deposits	109,957	-	109,957
Unearned revenue	2,137,812	-	2,137,812
Accrued interest	162,514	-	162,514
Long-term debt, current	1,207,914	-	1,207,914
Due to other funds	-	83,154	83,154
Compensated absences, current	30,806	-	30,806
Total Current Liabilities	4,512,412	212,054	4,724,466
<u>Noncurrent Liabilities</u>			
Long-term debt, noncurrent	22,691,783	-	22,691,783
Compensated absences, noncurrent	3,423	-	3,423
Net pension liability	754,488	-	754,488
OPEB liability	22,577	-	22,577
Total Liabilities	27,984,683	212,054	28,196,737
<u>Deferred Inflows of Resources</u>			
OPEB inflows	6,425	-	6,425
Total Deferred Inflows of Resources	6,425	-	6,425
<u>Net Position</u>			
Net investment in capital assets	14,266,173	-	14,266,173
Restricted for:			
Emergency reserve	250,000	-	250,000
Equipment	327,904	-	327,904
Unrestricted	2,234,301	21,468	2,255,769
Total Net Position	\$ 17,078,378	\$ 21,468	\$ 17,099,846

See Notes to Financial Statements.



City of Woodway, Texas

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

For the Year Ended September 30, 2023

	Water & Sewer	Sanitation	Total
<u>Operating Revenues</u>			
Charges for service	\$ 7,523,046	\$ 1,607,893	\$ 9,130,939
Other revenue	102,116	-	102,116
Total Operating Revenues	7,625,162	1,607,893	9,233,055
<u>Operating Expenses</u>			
Water services	3,427,505	-	3,427,505
Sewer services	1,164,500	-	1,164,500
Sanitation services	-	1,362,588	1,362,588
Customer service	418,353	-	418,353
Capital outlay	120,746	-	120,746
Depreciation	1,286,803	-	1,286,803
Total Operating Expenses	6,417,907	1,362,588	7,780,495
Operating Income (Loss)	1,207,255	245,305	1,452,560
<u>Nonoperating Revenues (Expenses)</u>			
Gain on sale of assets	22,510	-	22,510
Interest expense	(618,707)	(1,257)	(619,964)
Investment income	528,314	-	528,314
Total Nonoperating Revenues (Expenses)	(67,883)	(1,257)	(69,140)
Income (Loss) Before Transfers	1,139,372	244,048	1,383,420
<u>Transfers</u>			
Transfers in	850,000	-	850,000
Transfers (out)	(147,672)	(222,580)	(370,252)
Total Transfers	702,328	(222,580)	479,748
Change in Net Position	1,841,700	21,468	1,863,168
Beginning net position	15,236,678	-	15,236,678
Ending Net Position	\$ 17,078,378	\$ 21,468	\$ 17,099,846

See Notes to Financial Statements.

City of Woodway, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2023

	Water & Sewer	Sanitation	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 7,070,658	\$ 1,378,214	\$ 8,448,872
Receipts from other funds, net	-	83,154	83,154
Payments to employees	(981,993)	-	(981,993)
Payments to suppliers and contractors	(4,110,529)	(1,233,688)	(5,344,217)
Net Cash Provided (Used) by Operating Activities	1,978,136	227,680	2,205,816
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	850,000	-	850,000
Transfers to other funds	(147,672)	(222,580)	(370,252)
Net Cash Provided (Used) by Noncapital Financing Activities	702,328	(222,580)	479,748
<u>Cash Flows from Capital and Related Financing Activities</u>			
Purchase of capital assets	(3,461,363)	-	(3,461,363)
Disposal of capital assets	24,520	-	24,520
Principal on long-term debt	(1,163,491)	-	(1,163,491)
Interest paid on long-term debt	(697,151)	(1,257)	(698,408)
Net Cash (Used) by Capital and Related Financing Activities	(5,297,485)	(1,257)	(5,298,742)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	528,314	-	528,314
Net Cash Provided by Investing Activities	528,314	-	528,314
Net Increase (Decrease) in Cash and Cash Equivalents	(2,088,707)	3,843	(2,084,864)
Beginning cash and cash equivalents	13,889,529	-	13,889,529
Ending Cash and Cash Equivalents	\$ 11,800,822	\$ 3,843	\$ 11,804,665

See Notes to Financial Statements.

City of Woodway, Texas

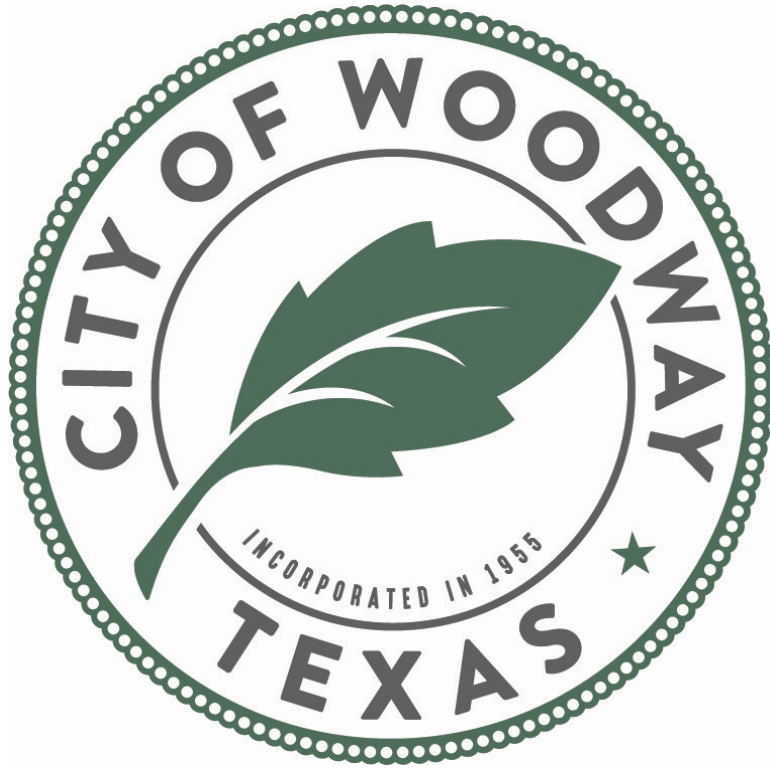
STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2023

	Water & Sewer	Sanitation	Total
<u>Reconciliation of Operating Income</u>			
<u>to Net Cash Provided by Operating Activities</u>			
Operating Income	\$ 1,207,255	\$ 245,305	\$ 1,452,560
Adjustments to reconcile operating income to net cash provided:			
Depreciation	1,286,803	-	1,286,803
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(184,059)	(229,679)	(413,738)
Due from other funds	-	83,154	83,154
Investments	(250,000)	-	(250,000)
Prepaid expenses	(15,682)	-	(15,682)
Deferred outflows - pension	(241,394)	-	(241,394)
Deferred outflows - OPEB	6,298	-	6,298
Deferred inflows - pension	(216,520)	-	(216,520)
Deferred inflows - OPEB	4,521	-	4,521
Increase (Decrease) in:			
Accounts payable and accrued liabilities	13,681	128,900	142,581
Unearned revenue	(102,627)	-	(102,627)
Customer deposits	(2,136)	-	(2,136)
Net pension liability	488,652	-	488,652
OPEB liability	(11,217)	-	(11,217)
Compensated absences	(5,439)	-	(5,439)
Net Cash Provided (Used) by Operating Activities	\$ 1,978,136	\$ 227,680	\$ 2,205,816

Schedule of Non-Cash Capital and Related Financing Activities:

Lease issuance	\$ 147,929	\$ -	\$ 147,929
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See Notes to Financial Statements.



City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Woodway, Texas (the “City”) is a home-rule municipal corporation organized and existing under the provisions of the Constitution of the State of Texas. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. No entities have been included in the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government’s water and transit functions and various other functions of

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, highways/streets, economic development, and cultural and recreation. The general fund is considered a major fund for reporting purposes.

Family Center Improvements Fund

The Family Center improvements fund accounts for renovations and improvements to the Woodway Family Center, which are being funded with bond proceeds from the \$6.7 million Series 2021 Tax and Revenue Certificates of Obligation.

General Capital Projects Fund

The general capital projects fund provides funding for non-routine general city projects. These projects are typically significant in cost. The projects are funded through year-end excess transfers from the general fund.

The City reports the following major enterprise fund:

Water and Sewer Fund

This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection, sewage pumping stations, and treatment systems. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Sanitation Fund

This fund is used to account for the sanitation services to the residents of the City. Activities of the fund include administration costs and cost of third party contracted sanitation services. All costs are financed through charges to sanitation customers.

Additionally, the government reports the following fund type:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of the future capital street improvements fund, other governmental capital projects fund, and the other governmental special revenue fund.

Permanent Fund

The City established a permanent fund for the Carleen Bright Endowment. Investment income from the investment of the permanent fund is to be used for upkeep and improvements to the Arboretum. The City's only permanent fund is the Carleen Bright Endowment Fund.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

C. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

1. Deposits and Investments

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. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value Measurement

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

3. Receivables and Interfund Transactions

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

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

4. Property Taxes

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

5. Inventories and Prepaid Items

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

6. Restricted Assets

Restricted cash accounts in the water and sewer fund are used to report (1) unspent bond proceeds, (2) customer deposits, and (3) bond reserve funds.

7. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, infrastructure (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

City of Woodway, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2023

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

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Land improvements	5 - 40 years
Buildings and improvements	5 - 40 years
Infrastructure	40 years
Water and sewer system	5 - 30 years
Equipment	3 - 40 years

8. Deferred outflows and 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and rental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Net Position Flow Assumptions

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

10. Fund Balance Flow Assumptions

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

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through the following spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. City council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the City intends to use for a specific purpose. Intent can be expressed by City Council or by an official or body to which the Council delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

12. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of earned but unused vacation pay benefits. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, a liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

13. Long-Term Obligations

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

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

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

14. Leases

Lessee: The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of a radio tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

15. Subscription-Based Information Technology Arrangements (“SBITA”)

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (“SBITA”). The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

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

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

16. Estimates

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

17. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

18. Other Postemployment Benefits (“OPEB”)

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn’t meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary, calculated based on the employee’s actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund and two capital projects funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the department level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Several supplemental budget appropriations were made during the year.

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:
 Highways and streets \$ 5,676

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2023, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 12,245,979	0.08
Certificates of obligation	1,000,000	0.97
Stocks	460,810 *	0.00
Mutual funds	207,180 *	0.00
Total fair value	\$ 13,913,969	
Portfolio weighted average maturity		0.35

* Carried in permanent endowment fund.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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In January 2016, the City received a bequest in the amount of \$465,488 to establish an endowment fund for the Arboretum, with the stipulation that the corpus remain intact and that 10% of the annual income be added to the corpus to guard against inflation. As of September 30, 2023 the the endowment fund consisted of stocks totaling \$460,809 and mutual funds totaling \$207,180, which are valued using quoted market prices (Level 1).

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed one year; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools. For repurchase agreements, the maximum maturity is 90 days.

Credit risk The City's investment policy limits investments in government investment pools and money market mutual funds to those that are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. At September 30, 2023, TexPool and TexStar are rated AAAM by Standard & Poor's.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2023, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons

City of Woodway, Texas
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September 30, 2023

who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. As of September 30, 2023, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexStar

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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The following table sets forth by level, within the fair value hierarchy, the City's fair value measurements at September 30, 2023:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Mutual funds	\$ 207,180	\$ 207,180	\$ -	\$ -
Stocks	460,810	460,810	-	-
Total Assets at fair value	\$ 667,990	\$ 667,990	\$ -	\$ -

C. Receivables

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

	<u>General</u>	<u>Nonmajor Govt.</u>	<u>Water & Sewer</u>	<u>Sanitation</u>	<u>Total</u>
Property tax	\$ 111,674	\$ 23,761	\$ -	\$ -	\$ 135,435
Sales tax	740,362	-	-	-	740,362
Franchise and local tax	29,899	-	-	-	29,899
Sanitation	-	-	-	242,451	242,451
Other	507	169,575	-	-	170,082
Accounts, net	-	-	1,466,648	-	1,466,648
Allowance	-	-	(196,133)	(12,772)	(208,905)
Total	\$ 882,442	\$ 193,336	\$ 1,270,515	\$ 229,679	\$ 2,575,972

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

D. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 726,443	\$ -	\$ -	\$ 726,443
Construction in progress	430,444	4,565,355	-	4,995,799
Total capital assets not being depreciated	<u>1,156,887</u>	<u>4,565,355</u>	<u>-</u>	<u>5,722,242</u>
Capital assets, being depreciated:				
Buildings and improvements	12,181,366	122,569	-	12,303,935
Infrastructure	21,039,397	516,185	-	21,555,582
Vehicles and equipment	10,880,033	1,273,275	(421,382)	11,731,926
Right-of-use assets	-	42,364	-	42,364
Total capital assets being depreciated	<u>44,100,796</u>	<u>1,954,393</u>	<u>(421,382)</u>	<u>45,633,807</u>
Less accumulated depreciation				
Buildings and improvements	(6,034,267)	(427,747)	467	(6,461,547)
Infrastructure	(4,608,768)	(641,936)	-	(5,250,704)
Vehicles and equipment	(7,786,872)	(607,409)	401,362	(7,992,919)
Right-of-use assets	-	(8,473)	-	(8,473)
Total accumulated depreciation	<u>(18,429,907)</u>	<u>(1,685,565)</u>	<u>401,829</u>	<u>(19,713,643)</u>
Net capital assets being depreciated	<u>25,670,889</u>	<u>268,828</u>	<u>(19,553)</u>	<u>25,920,164</u>
Total Capital Assets	<u>\$ 26,827,776</u>	<u>\$ 4,834,183</u>	<u>\$ (19,553)</u>	<u>\$ 31,642,406</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 23,741
Public safety	497,447
Highway and streets	676,774
Economic development	180,672
Cultural and recreation	306,931
Total Governmental Activities Depreciation Expense	<u>\$ 1,685,565</u>

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 184,846	\$ -	\$ -	\$ 184,846
Construction in progress	1,867,584	3,252,722	-	5,120,306
Total capital assets not being depreciated	<u>2,052,430</u>	<u>3,252,722</u>	<u>-</u>	<u>5,305,152</u>
Capital assets, being depreciated:				
Buildings and improvements	371,888	86,043	-	457,931
Vehicles and equipment	3,079,448	7,901	-	3,087,349
Infrastructure	42,059,308	114,697	(61,756)	42,112,249
Right-of-use assets	-	147,929	-	147,929
Total capital assets being depreciated	<u>45,510,644</u>	<u>356,570</u>	<u>(61,756)</u>	<u>45,805,458</u>
Less accumulated depreciation				
Buildings and improvements	(229,060)	(8,470)	-	(237,530)
Vehicles and equipment	(1,610,019)	(175,531)	59,746	(1,725,804)
Infrastructure	(16,747,387)	(1,080,902)	-	(17,828,289)
Right-of-use assets	-	(21,900)	-	(21,900)
Total accumulated depreciation	<u>(18,586,466)</u>	<u>(1,286,803)</u>	<u>59,746</u>	<u>(19,813,523)</u>
Net capital assets being depreciated	26,924,178	(930,233)	(2,010)	25,991,935
Total Capital Assets	<u>\$ 28,976,608</u>	<u>\$ 2,322,489</u>	<u>\$ (2,010)</u>	<u>\$ 31,297,087</u>

Depreciation was charged to business-type functions as follows:

Water	\$ 1,046,471
Sewer	240,332
Total Business-Type Activities Depreciation Expense	<u>\$ 1,286,803</u>

E. Deferred Charge on Refunding

A deferred charge resulting from the issuance of the 2011 and 2016 general obligation refunding bonds has been recorded as a deferred outflow of resources and is being amortized to interest expense over the term of the refunded debt. Current year balances for business-type activities totaled \$49,022. Current year amortization expense for business-type activities totaled \$12,256.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

F. Compensated Absences

The following summarizes the changes in the compensated absences balances of the primary government during the year. In general, the City uses the general and enterprise funds to liquidate governmental and business-type activities compensated absences, respectively.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Compensated absences	\$ 515,688	\$ 421,583	\$ (464,119)	\$ 473,152	\$ 425,837
Total Governmental Activities	<u>\$ 515,688</u>	<u>\$ 421,583</u>	<u>\$ (464,119)</u>	<u>\$ 473,152</u>	<u>\$ 425,837</u>
Other long-term liabilities due in more than one year				<u>\$ 47,315</u>	
Business-Type Activities:					
Compensated absences	\$ 39,668	\$ 36,202	\$ (41,641)	\$ 34,229	\$ 30,806
Total Business-Type Activities	<u>\$ 39,668</u>	<u>\$ 36,202</u>	<u>\$ (41,641)</u>	<u>\$ 34,229</u>	<u>\$ 30,806</u>
Other long-term liabilities due in more than one year				<u>\$ 3,423</u>	

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

G. Long-term Debt

The following is a summary of changes in the primary government's long-term liabilities for the current year ended. In general, the City uses the special revenue fund to liquidate governmental long-term liabilities and the water and sewer fund to liquidate business-type long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Certificates of Obligation	\$ 6,475,000	\$ -	\$ (255,000)	\$ 6,220,000	\$ 265,000
Deferred Amounts:					
Issuance Premium	496,146	-	(23,065)	473,081	-
Leases and Other:					
Software subscription	-	42,364	(9,150)	33,214	7,821
Total Governmental Activities	<u>\$ 6,971,146</u>	<u>\$ 42,364</u>	<u>\$ (287,215)</u>	<u>\$ 6,726,295</u>	<u>\$ 272,821</u>
Long-term Liabilities Due in More than One Year				<u>\$ 6,453,474</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 21,820,000	\$ -	\$ (805,000)	\$ 21,015,000	\$ 830,000
Refunding Bonds	1,785,000	-	(340,000)	1,445,000	350,000
Deferred Amounts:					
Issuance Premium	1,390,846	-	(80,587)	1,310,259	-
Leases and Other:					
Lease liabilities	-	147,929	(18,491)	129,438	27,914
Total Business-Type Activities	<u>\$ 24,995,846</u>	<u>\$ 147,929</u>	<u>\$ (1,244,078)</u>	<u>\$ 23,899,697</u>	<u>\$ 1,207,914</u>
Long-term Liabilities Due in More than One Year				<u>\$ 22,691,783</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Long-term debt at year end was comprised of the following debt issues:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Certificates of Obligation:			
\$1,815,000 Certificates of Obligation, Series 2011, due in annual installments through 2025, interest at 4.0%	\$ 195,000	\$ -	\$ 195,000
\$3,670,000 Certificates of Obligation, Series 2016, due in annual installments through 2031, interest at 2.0%	-	2,105,000	2,105,000
\$9,200,000 Certificates of Obligation, Series 2017, due in annual installments through 2042, interest at 3.0%	-	8,335,000	8,335,000
\$6,335,000 Certificates of Obligation, Series 2021, due in annual installments through 2046, interest at 5.0%	6,025,000	10,575,000	16,600,000
Total Certificates of Obligation	<u>\$ 6,220,000</u>	<u>\$ 21,015,000</u>	<u>\$ 27,235,000</u>
Refunding Bonds:			
\$3,400,000 General obligation refunding bond, Series 2016, due in annual installments through 2027, interest at 3.0%	\$ -	\$ 1,445,000	\$ 1,445,000
Total General Obligation Bonds	<u>\$ -</u>	<u>\$ 1,445,000</u>	<u>\$ 1,445,000</u>
Premiums:			
Issuance premiums	\$ 473,081	\$ 1,310,259	\$ 1,783,340
Total Premiums	<u>\$ 473,081</u>	<u>\$ 1,310,259</u>	<u>\$ 1,783,340</u>
Leases and Other:			
Lease liabilities	\$ -	\$ 129,438	\$ 129,438
Software subscription	33,214	-	33,214
Total Leases and Other	<u>\$ 33,214</u>	<u>\$ 129,438</u>	<u>\$ 162,652</u>
Total Debt	<u>\$ 6,726,295</u>	<u>\$ 23,899,697</u>	<u>\$ 30,625,992</u>

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Governmental Activities		
Year ending September 30,	Certificates of Obligation	
	Principal	Interest
2024	\$ 265,000	\$ 185,525
2025	280,000	173,225
2026	185,000	160,225
2027	195,000	150,975
2028-2032	1,135,000	598,375
2033-2037	1,350,000	383,975
2038-2042	1,495,000	240,775
Thereafter	1,315,000	74,701
Total	\$ 6,220,000	\$ 1,967,776

Year ending September 30,	Software Subscription	
	Principal	Interest
2024	\$ 7,821	\$ 1,329
2025	8,134	1,016
2026	8,460	690
2027	8,799	352
Total	\$ 33,214	\$ 3,387

The City entered into a Subscription-Based Information Technology Arrangement (“SBITA”) with Momentous Software (Venueops) during the current year for \$42,364. Principal payments will increase each year and be paid annually. The term of the agreement will expire on September 30, 2028. The net book value of the subscription is \$33,891.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Business-Type Activities		
Year ending September 30,	General Obligation Refunding Bonds	
	Principal	Interest
2024	\$ 350,000	\$ 28,900
2025	355,000	21,900
2026	365,000	14,800
2027	375,000	7,500
Total	\$ 1,445,000	\$ 73,100

Business-Type Activities		
Year ending September 30,	Certificates of Obligation	
	Principal	Interest
2024	\$ 830,000	\$ 621,156
2025	860,000	592,807
2026	890,000	560,306
2027	925,000	526,557
2028-2032	5,480,000	2,081,032
2033-2037	4,555,000	1,308,133
2038-2042	5,170,000	691,932
Thereafter	2,305,000	131,176
Total	\$ 21,015,000	\$ 6,513,099

Year ending September 30,	Lease Liability - RAM 2500	
	Principal	Interest
2024	\$ 12,397	\$ 2,074
2025	12,902	1,569
2026	13,427	1,043
2027	13,975	496
2028	4,783	40
Total	\$ 57,484	\$ 5,222

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Year ending September 30,	Lease Liability - RAM 3500	
	Principal	Interest
2024	\$ 15,517	\$ 2,596
2025	16,149	1,963
2026	16,808	1,306
2027	17,492	621
2028	5,988	50
Total	\$ 71,954	\$ 6,536

The City entered into two equipment lease agreements in the current year for \$65,696 and \$82,233. Principal payments will be paid annually, and the term of both agreements will expire in 2028. The net book value as of September 30, 2023, of the leases are \$56,936 and \$69,093, respectively.

H. Interfund Transactions

Transfers between the primary government funds during the year were as follows:

Transfers In:	Transfers Out:					Total
	General	Nonmajor Govt.	General Capital Projects	Water and Sewer	Sanitation	
General	\$ -	\$ 402,998	\$ -	\$ 147,672	\$ 222,580	\$ 773,250
Water and Sewer	-	-	850,000	-	-	850,000
Nonmajor govt.	535,000	300,000	-	-	-	835,000
Total	\$ 535,000	\$ 702,998	\$ 850,000	\$ 147,672	\$ 222,580	\$ 2,458,250

Amounts transferred between funds relate to amounts collected by the governmental and enterprise funds for various operational and capital expenditures and principal and interest payments.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The compositions of interfund balances as of the year ended September 30, 2023 were as follows:

Due To:	Due From:		Total
	Sanitation	Tourism	
General	\$ 83,154	\$ 116,486	\$ 199,640
Total	\$ 83,154	\$ 116,486	\$ 199,640

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

I. Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	Restricted	Committed
Tourism	\$ 42,956 *	\$ -
Arboretum	93,337	-
Public safety	274,732 *	-
Debt service	49,614	-
Revenue stabilization	-	250,000
Capital projects	2,503,450	9,104,453
Equipment	921,998	-
Total	\$ 3,886,087	\$ 9,354,453

*Restricted by enabling legislation

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

D. Pension Plans

Texas Municipal Retirement Systems

1. Plan Description

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

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

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, 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 retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	71
Active employees	88
Total	210

3. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. 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 Woodway were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Woodway were 17.67% and 17.23% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$1,200,222 and were equal to the required contributions.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

4. 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 Net Pension Liability 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	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of

City of Woodway, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2023

return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

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

Discount Rate:

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

Sensitivity of the Net Pension Liability (Asset) 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 (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 12,649,897	\$ 6,875,635	\$ 2,184,772

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/21	\$ 34,377,511	\$ 32,087,949	\$ 2,289,562
Changes for the year:			
Service Cost	1,086,656	-	1,086,656
Interest	2,319,732	-	2,319,732
Change in benefit terms	-	-	-
Difference between expected and actual experience	453,174	-	453,174
Changes of assumptions	-	-	-
Contributions – employer	-	1,156,002	(1,156,002)
Contributions – employee	-	457,952	(457,952)
Net investment income	-	(2,344,383)	2,344,383
Benefit payments, including refunds of emp. contributions	(1,108,869)	(1,108,869)	-
Administrative expense	-	(20,269)	20,269
Other changes	-	24,187	(24,187)
Net changes	2,750,693	(1,835,380)	4,586,073
Balance at 12/31/22	<u>\$ 37,128,204</u>	<u>\$ 30,252,569</u>	<u>\$ 6,875,635</u>

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

5. 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 pension expense of \$1,649,388.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 557,698
Changes in actuarial assumptions	1,747
Difference between projected and investment earnings	2,075,246
Contributions subsequent to the measurement date	881,576
Total	\$ 3,516,267

The City reported \$881,576 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2023	\$ 373,777
2024	660,583
2025	659,903
2026	940,428
2027	-
Thereafter	-
	\$ 2,634,691

6. Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	15
Active employees	88
Total	134

The City's contributions to the TMRS SDBF for the years ended 2022 and 2023 were \$5,765 \$6,228, respectively, which equaled the required contributions each year.

Three-Year Contribution Information

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2021	0.08%	0.08%	100.0%
2022	0.09%	0.09%	100.0%
2023	0.08%	0.08%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2022, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	4.05%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

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

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 4.05%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, 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 rate:

1% Decrease (3.05%)	Current Single Rate Assumption 4.05%	1% Increase (5.05%)
\$ 246,551	\$ 205,740	\$ 173,796

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/21	\$ 291,053
Changes for the year:	
Service Cost	17,010
Interest	5,458
Difference between expected and actual experience	4,159
Changes of assumptions	(106,052)
Benefit payments	(5,888)
Net changes	(85,313)
Balance at 12/31/22	\$ 205,740

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$17,050.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in actuarial assumptions	\$ -	\$ (48,843)
Difference between expected and actual experience	-	(9,701)
Contributions subsequent to measurement date	4,605	-
Total	\$ 4,605	\$ (58,544)

The City reported \$4,605 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2024.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

Year ended December 31:		
2023	\$	(5,982)
2024		(7,104)
2025		(7,158)
2026		(12,466)
2027		(15,874)
Thereafter		(9,960)
		\$ (58,544)

E. Restatement

Due to corrections to accrued liabilities in the prior year, the City restated its beginning net position/fund balance within governmental activities, business-type activities, the nonmajor governmental funds, and the water and sewer fund. The restatement of beginning fund balance/net position is as follows:

	Governmental Activities	Nonmajor Governmental Funds
Prior year ending net position/ fund balance as reported	\$ 38,780,472	\$ 4,959,529
To correct accrued liabilities	193,584	193,584
Restated beginning net position/fund balance	\$ 38,974,056	\$ 5,153,113

	Business-Type Activities	Water & Sewer
Prior year ending net position as reported	\$ 15,315,054	\$ 15,315,054
To correct accrued liabilities	(78,380)	(78,380)
Restated beginning net position	\$ 15,236,674	\$ 15,236,674

F. New Accounting Pronouncements

During the year, the City adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled *Subscription-Based Information Technology Arrangements ("SBITA")*. Due to the implementation of GASB 96 in the current year, the City recorded right to use asset and SBITA liabilities.

G. Subsequent Events

There were no material subsequent events through March 22, 2024, the date the financial statements were issued.



REQUIRED SUPPLEMENTARY INFORMATION

City of Woodway, Texas

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

GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 5,345,423	\$ 5,345,423	\$ 5,337,073	\$ (8,350)
Sales tax	3,933,000	3,933,000	4,167,844	234,844
Franchise and local taxes	685,500	868,500	869,231	731
License and permits	145,000	145,000	154,786	9,786
Charges for services	502,000	502,000	498,528	(3,472)
Intergovernmental revenue	-	-	27,882	27,882
Fines and forfeitures	159,000	159,000	142,264	(16,736)
Investment income	60,000	60,000	187,997	127,997
Contributions and donations	5,000	5,000	7,924	2,924
Lease income	18,900	18,900	18,900	-
Other revenues	67,000	77,500	123,829	46,329
Total Revenues	10,920,823	11,114,323	11,536,258	421,935
Expenditures				
Current:				
General government	2,168,755	2,263,955	2,125,764	138,191
Public safety	7,499,272	7,504,272	6,963,588	540,684
Highways and streets	520,708	520,708	526,384	(5,676) *
Economic development	717,795	767,645	685,735	81,910
Culture and recreation	1,138,215	1,171,515	1,042,990	128,525
Debt service:				
Principal	-	9,150	9,150	-
Capital outlay	-	42,364	42,364	-
Total Expenditures	12,044,745	12,279,609	11,395,975	883,634
Revenues Over (Under)				
Expenditures	(1,123,922)	(1,165,286)	140,283	1,305,569

City of Woodway, Texas

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

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2023

Other Financing Sources (Uses)

Transfers in	786,222	786,222	773,250	(12,972)
Transfers (out)	-	(536,000)	(535,000)	1,000
SBITA issuance	-	42,364	42,364	-
Sales of assets	-	-	116,598	116,598
Insurance recoveries	-	-	61,530	61,530
Total Other	786,222	292,586	458,742	166,156
Financing Sources (Uses)	786,222	292,586	458,742	166,156
Net Change in Fund Balance	\$ (337,700)	\$ (872,700)	599,025	\$ 1,471,725
Beginning fund balance			4,356,054	
Ending Fund Balance			\$ 4,955,079	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.

City of Woodway, Texas
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Years Ended December 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 1,086,656	\$ 1,031,721	\$ 976,478	\$ 879,656	\$ 809,551	\$ 804,076	\$ 747,227	\$ 671,680	\$ 603,865
Interest	2,319,732	2,166,572	2,006,315	1,875,511	1,789,433	1,663,016	1,538,966	1,481,245	1,391,288
Differences between expected and actual experience	453,174	141,530	460,153	178,467	(88,985)	432,982	151,146	242,961	25,877
Changes of assumptions	-	-	-	55,501	-	-	-	(29,774)	-
Benefit payments, including refunds of participant contributions	(1,108,869)	(1,087,642)	(1,105,121)	(1,094,312)	(1,445,329)	(614,593)	(641,392)	(888,668)	(650,991)
Net change in total pension liability	2,750,693	2,252,181	2,337,825	1,894,823	1,064,670	2,285,481	1,795,947	1,477,444	1,370,039
Total pension liability - beginning	\$ 34,377,511	\$ 32,125,330	\$ 29,787,505	\$ 27,892,682	\$ 26,828,012	\$ 24,542,531	\$ 22,746,584	\$ 21,269,140	\$ 19,899,101
Total pension liability - ending (a)	\$ 37,128,204	\$ 34,377,511	\$ 32,125,330	\$ 29,787,505	\$ 27,892,682	\$ 26,828,012	\$ 24,542,531	\$ 22,746,584	\$ 21,269,140
Plan fiduciary net position									
Contributions - employer	\$ 1,156,002	\$ 1,072,070	\$ 983,199	\$ 893,773	\$ 827,205	\$ 821,922	\$ 718,365	\$ 692,941	\$ 656,758
Contributions - members	457,952	434,539	410,400	380,098	353,075	347,012	320,698	303,731	281,525
Net investment income	(2,344,383)	3,656,591	1,959,017	3,434,038	(694,608)	2,756,034	1,234,383	26,775	967,001
Benefit payments, including refunds of participant contributions	(1,108,869)	(1,087,642)	(1,105,121)	(1,094,312)	(1,445,329)	(614,593)	(641,392)	(888,668)	(650,991)
Administrative expenses	(20,269)	(16,907)	(12,670)	(19,394)	(13,417)	(14,279)	(13,939)	(16,308)	(10,094)
Other	24,187	117	(494)	(583)	(700)	(723)	(751)	(805)	(830)
Net change in plan fiduciary net position	(1,835,380)	4,058,768	2,234,331	3,593,620	(973,774)	3,295,373	1,617,364	117,666	1,243,369
Plan fiduciary net position - beginning	32,087,949	28,029,181	25,794,850	22,201,230	23,175,004	19,879,631	18,262,267	18,144,601	16,901,232
Plan fiduciary net position - ending (b)	\$ 30,252,569	\$ 32,087,949	\$ 28,029,181	\$ 25,794,850	\$ 22,201,230	\$ 23,175,004	\$ 19,879,631	\$ 18,262,267	\$ 18,144,601
Fund's net pension liability - ending (a) - (b)	\$ 6,875,635	\$ 2,289,562	\$ 4,096,149	\$ 3,992,655	\$ 5,691,452	\$ 3,653,008	\$ 4,662,900	\$ 4,484,317	\$ 3,124,539
Plan fiduciary net position as a percentage of the total pension covered payroll	81.48%	93.34%	87.25%	86.60%	79.60%	86.38%	81.00%	80.29%	85.31%
Fund's net position as a percentage of covered payroll	105.10%	36.88%	69.89%	73.53%	112.84%	73.69%	101.78%	103.35%	77.69%

Notes to schedule:

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

City of Woodway, Texas
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Actuarially determined employer contributions	\$ 1,200,222	\$ 1,161,151	\$ 1,037,836	\$ 951,440	\$ 876,867	\$ 821,922	\$ 802,217	\$ 710,979	\$ 657,199
Contributions in relation to the actuarially determined contribution	\$ 1,200,222	\$ 1,161,151	\$ 1,037,836	\$ 951,440	\$ 876,867	\$ 821,922	\$ 802,217	\$ 710,979	\$ 657,199
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 6,919,836	\$ 6,613,753	\$ 6,059,466	\$ 5,702,790	\$ 5,332,738	\$ 4,997,194	\$ 4,864,181	\$ 4,468,451	\$ 4,132,337
Employer contributions as a percentage of covered payroll	17.34%	17.56%	17.13%	16.68%	16.44%	16.45%	16.49%	15.91%	15.90%

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

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll, Closed

Remaining Amortization Period 23 years

Asset Valuation Method 10 Year smoothed market; 12% soft corridor

Inflation 2.5%

Salary Increases 3.50% to 11.5% including inflation

Investment Rate of Return 6.75%

Retirement Age

Experience-based table of rates that are specific to the 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.

Other Information:

Notes

There were no benefit changes during the year.

City of Woodway, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended December 31,

	2022	2021	2020	2019	2018	2017
Total OPEB liability						¹
Service cost	\$ 17,010	\$ 16,140	\$ 15,825	\$ 12,489	\$ 8,575	\$ 6,940
Interest	5,458	5,719	6,290	6,578	5,781	5,591
Differences between expected and actual experience	4,159	(15,548)	(766)	(5,501)	901	-
Changes of assumptions	(106,052)	9,356	39,062	37,625	(13,514)	14,626
Benefit payments, including refunds of participant contributions	(5,888)	(4,966)	(1,758)	(1,086)	(1,009)	(1,487)
Net change in total OPEB liability	(85,313)	10,701	58,653	50,105	734	25,670
Total OPEB liability - beginning	\$ 291,053	\$ 280,352	\$ 221,699	\$ 171,594	\$ 170,860	\$ 145,190
Total OPEB liability - ending	\$ 205,740	\$ 291,053	\$ 280,352	\$ 221,699	\$ 171,594	\$ 170,860 ²
Covered employee payroll	\$ 6,542,176	\$ 6,207,706	\$ 5,861,215	\$ 5,429,973	\$ 5,043,934	\$ 4,957,313
Fund's net position as a percentage of covered employee payroll	3.14%	4.69%	4.78%	4.08%	3.40%	3.45%

Notes to schedule:

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

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

***NONMAJOR COMBINING STATEMENTS
GOVERNMENTAL FUNDS***

City of Woodway, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2023

	Capital Project Funds			Special Revenue Funds						
	Future Capital Improvements	Governmental Capital Projects	Other	Tourism	Unclaimed Money	Arboretum Programs	Drug Seizure/ Forfeiture	Law Enforcement Cont. Education	Building Security - Municipal Court	
Assets										
Cash and cash equivalents	\$ 2,314,132	\$ 2,622,023	\$ -	\$ -	\$ 1,652	\$ 93,588	\$ 10,364	\$ 153	\$ 74,533	
Investments	-	-	-	-	-	-	-	-	-	
Receivables, net	13,148	3,421	169,396	169,396	-	179	-	-	-	
Total Assets	\$ 2,327,280	\$ 2,625,444	\$ 169,396	\$ 169,396	\$ 1,652	\$ 93,767	\$ 10,364	\$ 153	\$ 74,533	
Liabilities										
Accounts payable and accrued expenses	\$ -	\$ 3,095	\$ 300	\$ -	\$ -	\$ 430	\$ -	\$ -	\$ -	
Due to other funds	-	-	116,486	-	-	-	-	-	-	
Total Liabilities	-	3,095	116,786	-	-	430	-	-	-	
Deferred Inflow of Resources										
Unavailable revenue - prop. tax	13,149	3,420	9,654	9,654	-	-	-	-	-	
Total Deferred Inflow of Resources	13,149	3,420	9,654	9,654	-	-	-	-	-	
Fund Balances										
Nonspendable:										
Endowment	-	-	-	-	-	-	-	-	-	
Restricted for:										
Public safety	-	-	-	-	1,652	-	10,364	153	-	
Tourism	-	-	42,956	42,956	-	-	-	-	-	
Arboretum	-	-	-	-	-	93,337	-	-	-	
Municipal court	-	-	-	-	-	-	-	-	74,533	
Debt service	-	-	-	-	-	-	-	-	-	
Committed for:										
Capital projects	2,314,131	2,618,929	-	-	-	-	-	-	-	
Total Fund Balances	2,314,131	2,618,929	42,956	42,956	1,652	93,337	10,364	153	74,533	
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,327,280	\$ 2,622,024	\$ 169,396	\$ 169,396	\$ 1,652	\$ 93,767	\$ 10,364	\$ 153	\$ 74,533	

City of Woodway, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds										Total Nonmajor Governmental	
	Municipal Court Technology	Municipal Court Child Safety	Asset Forfeiture	Municipal Court - Local Truancy Prevention	Municipal Court - Local Municipal Jury	General Debt Service	Permanent Carleen Bright Endowment			Total		
Assets												
Cash and cash equivalents	\$ 7,519	\$ 119,230	\$ 39,206	\$ 18,094	\$ 361	\$ 49,614	\$ 181,631	\$ 5,532,100				
Investments	-	-	-	-	-	-	667,990	667,990				
Taxes receivable, net	-	-	-	-	-	7,192	-	193,336				
Total Assets	\$ 7,519	\$ 119,230	\$ 39,206	\$ 18,094	\$ 361	\$ 56,806	\$ 849,621	\$ 6,393,426				
Liabilities												
Accounts payable and accrued expenses	\$ 384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,209				
Due to other funds	-	-	-	-	-	-	-	116,486				
Total Liabilities	384							120,695				
Deferred Inflow of Resources												
Unavailable revenue - prop. tax	-	-	-	-	-	7,192	-	33,415				
Total Deferred Inflow of Resources	-	-	-	-	-	7,192	-	33,415				
Fund Balances												
Nonspendable:												
Endowment	-	-	-	-	-	-	849,621	849,621				
Restricted for:												
Public safety	-	-	39,206	-	-	-	-	51,375				
Tourism	-	-	-	-	-	-	-	42,956				
Arboretum	-	-	-	-	-	-	-	93,337				
Municipal court	7,135	119,230	-	18,094	361	-	-	219,353				
Debt service	-	-	-	-	-	49,614	-	49,614				
Committed for:												
Capital projects	-	-	-	-	-	-	-	4,933,060				
Total Fund Balances	7,135	119,230	39,206	18,094	361	49,614	849,621	6,239,316				
Total Liabilities, Deferred Inflows and Fund Balances	\$ 7,519	\$ 119,230	\$ 39,206	\$ 18,094	\$ 361	\$ 56,806	\$ 849,621	\$ 6,393,426				

City of Woodway, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Capital Project Funds		Special Revenue Funds						
	Future Capital Street Improvements	Other Governmental Capital Projects	Tourism	Unclaimed Money	Arboretum Programs	Drug Seizure/ Forfeiture	Law Enforcement Cont. Education	Building Security - Municipal Court	
Revenues									
Property tax	\$ 715,646	\$ 238,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Hotel occupancy tax	-	-	831,254	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	2,377	5,319	
Contributions and donations	-	300	-	-	20,662	-	-	-	
Investment income	63,688	61,181	10,697	-	974	230	23	2,276	
Other revenue	-	135	-	1,481	-	3,841	-	-	
Total Revenues	779,334	300,165	841,951	1,481	21,636	4,071	2,400	7,595	
Expenditures									
Public safety	-	-	-	-	-	-	2,377	-	
Culture and recreation	-	-	160,663	-	43,082	-	-	-	
Debt service:									
Principal	-	-	95,000	-	-	-	-	-	
Interest	-	-	11,600	-	-	-	-	-	
Capital outlay	-	702,821	-	-	-	-	-	20,218	
Total Expenditures	-	702,821	267,263	-	43,082	-	2,377	20,218	
Revenues Over (Under) Expenditures	779,334	(402,656)	574,688	1,481	(21,446)	4,071	23	(12,623)	
Other Financing Sources (Uses)									
Transfers in	-	765,000	-	-	70,000	-	-	-	
Transfers (out)	-	-	(702,998)	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	765,000	(702,998)	-	70,000	-	-	-	
Net Change in Fund Balances	779,334	362,344	(128,310)	1,481	48,554	4,071	23	(12,623)	
Beginning fund balances	1,534,797	2,256,585	171,266	171	44,783	6,293	130	87,156	
Ending Fund Balances	\$ 2,314,131	\$ 2,618,929	\$ 42,956	\$ 1,652	\$ 93,337	\$ 10,364	\$ 153	\$ 74,533	

City of Woodway, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Municipal Court Technology	Municipal Court Child Safety	Asset Forfeiture	Municipal Court - Local Truancy Prevention	Municipal Court - Local Municipal Jury	General Debt Service	Permanent Carleen Bright Endowment	Total Nonmajor Governmental
Revenues								
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,867	\$ -	\$ 1,298,062
Hotel occupancy tax	-	-	-	-	-	-	-	831,254
Fines and forfeitures	4,440	12,055	-	5,206	104	-	-	29,501
Contributions and donations	-	-	-	-	-	-	-	20,962
Investment income	332	3,475	1,579	464	9	6,311	100,124	251,363
Other revenue	-	-	20,307	-	-	-	-	25,764
Total Revenues	4,772	15,530	21,886	5,670	113	350,178	100,124	2,456,906
Expenditures								
Public safety	7,706	4,015	34,286	-	-	-	-	48,384
Culture and recreation	-	-	-	-	-	-	74,712	278,457
Debt service:								
Principal	-	-	-	-	-	160,000	-	255,000
Interest	-	-	-	-	-	186,225	-	197,825
Capital outlay	-	-	-	-	-	-	-	723,039
Total Expenditures	7,706	4,015	34,286	-	-	346,225	74,712	1,502,705
Revenues Over (Under) Expenditures	(2,934)	11,515	(12,400)	5,670	113	3,953	25,412	954,201
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	835,000
Transfers (out)	-	-	-	-	-	-	-	(702,998)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	132,002
Net Change in Fund Balances	(2,934)	11,515	(12,400)	5,670	113	3,953	25,412	1,086,203
Beginning fund balances	10,069	107,715	51,606	12,424	248	45,661	824,209	5,153,113
Ending Fund Balances	7,135	119,230	39,206	18,094	361	49,614	849,621	6,239,316

WOODWAY
TEXAS