



CITY OF
WOODWAY, TX

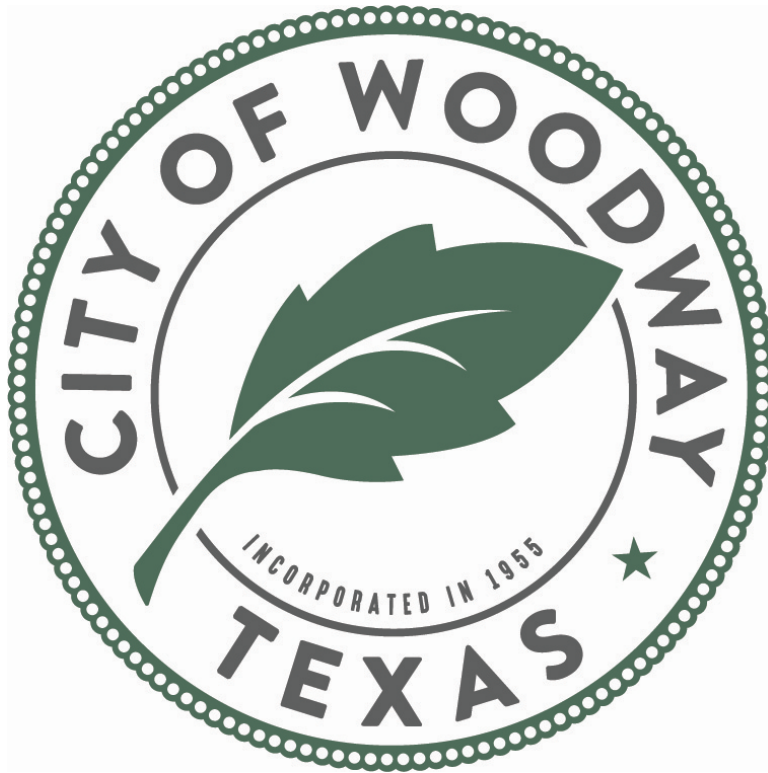
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2024

**ANNUAL
FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2024





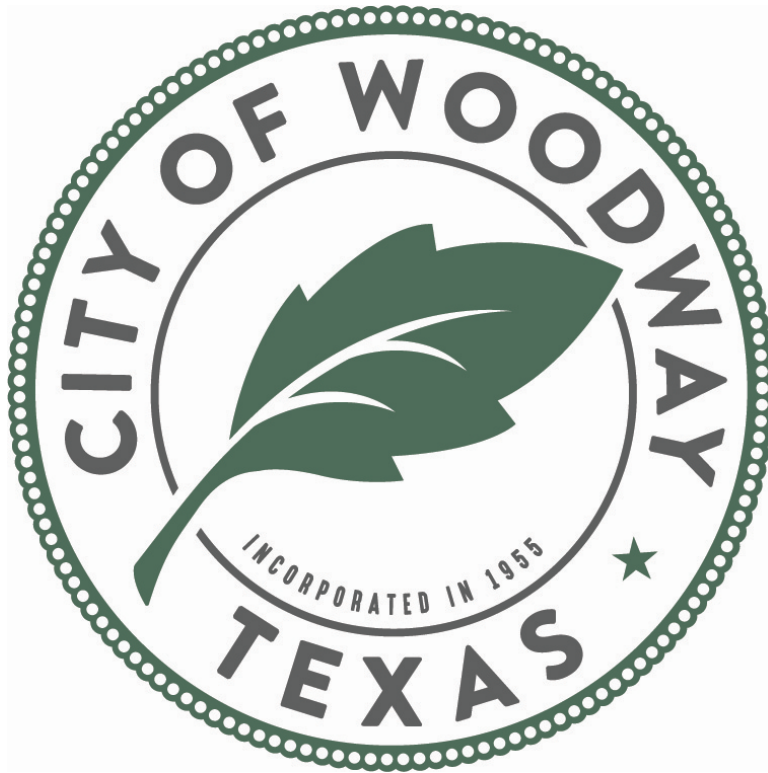
ANNUAL FINANCIAL REPORT

of the

City of Woodway, Texas

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

Prepared by:
Finance Department



City of Woodway, Texas

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September 30, 2024

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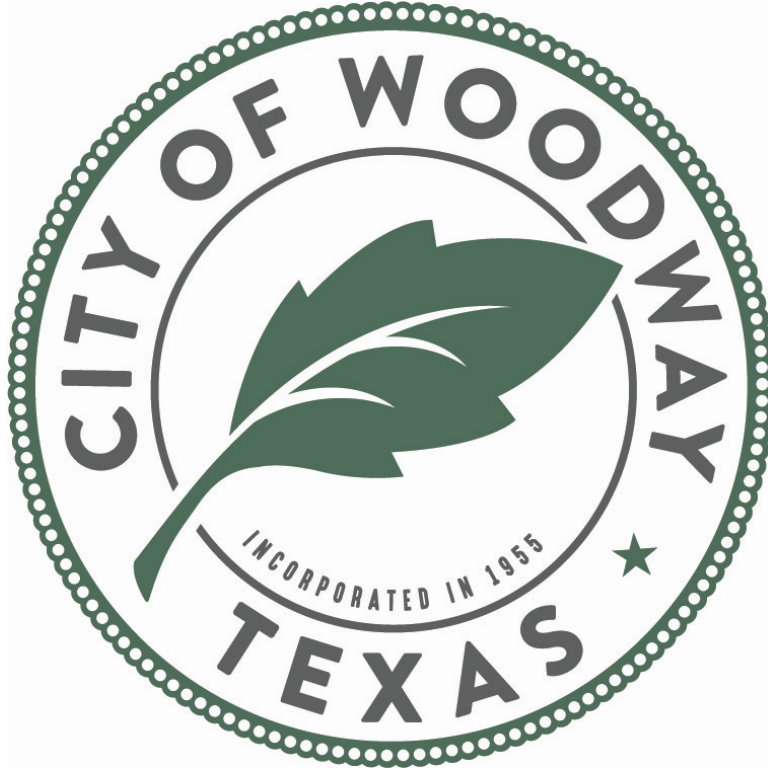
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INDEPENDENT AUDITOR'S REPORT

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, 2024, 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, 2024, 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) and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

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.

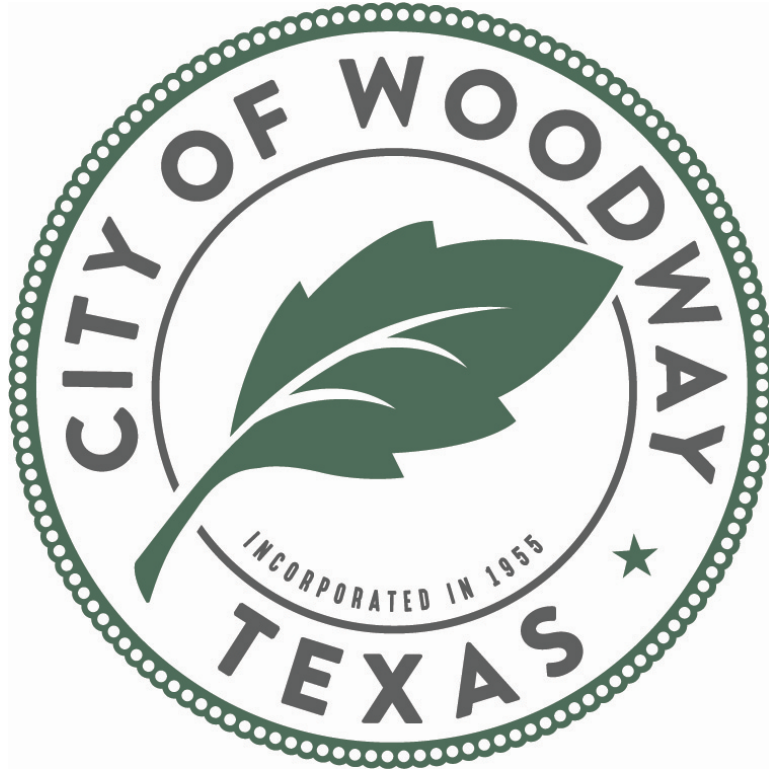
We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

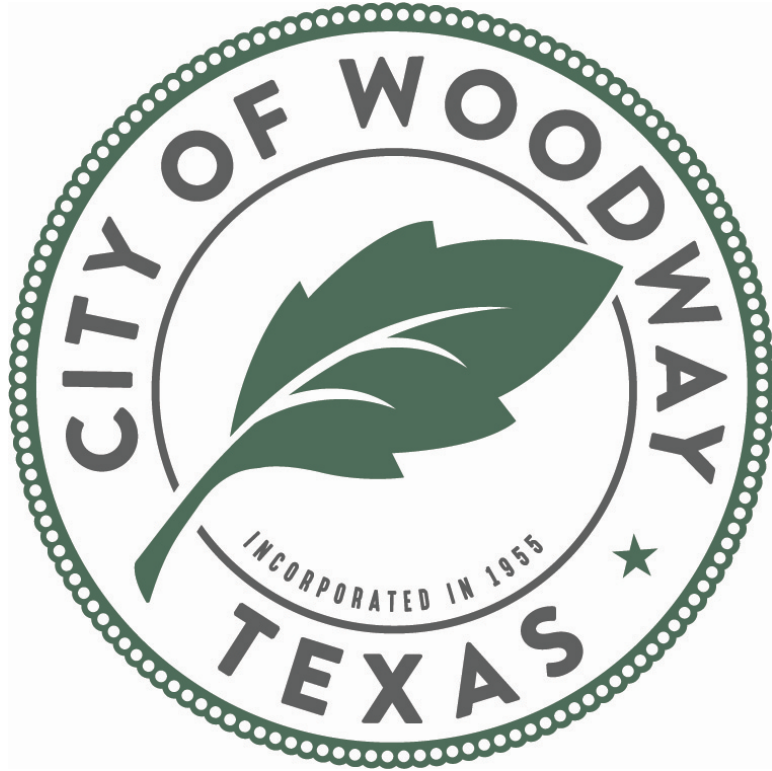
In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Brooks Watson & Co.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
March 14, 2025



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



City of Woodway, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2024

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, 2024.

Financial Highlights

- The City's total combined net position was \$60,514,959 at September 30, 2024. Of this, \$8,854,002 (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 \$15,540,611, a decrease of \$2,328,627.
- As of the end of the year, the unassigned fund balance of the general fund was \$3,555,211 or 32% of total general fund expenditures.
- The City had an overall increase in net position of \$4,226,123, which is primarily due to new capital investments, the reduction of long-term debt, in addition to the grants and capital contributions received 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

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2024

reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the 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 nineteen 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.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

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 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 \$60,514,959 as of September 30, 2024.

The largest portion of the City's net position, \$44,265,324, 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 \$7,019,710 or 11% due to the construction of the family center and continued investment in utility infrastructure.

Total long-term liabilities of the primary government decreased by \$2,847,704 or 8% due to a pay down of debt and a decrease in the City's net pension liability over the course of the year.

Total deferred outflows of the primary government decreased and total deferred inflows of the primary government increased by \$1,156,382 and 145,934, 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, 2024

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and other assets	\$ 17,490,371	\$ 10,422,859	\$ 27,913,230	\$ 19,843,672	\$ 13,487,387	\$ 33,331,059
Capital assets, net	34,199,077	35,760,126	69,959,203	31,642,406	31,297,087	62,939,493
Total Assets	51,689,448	46,182,985	97,872,433	51,486,078	44,784,474	96,270,552
Deferred Outflows	2,118,489	295,023	2,413,512	3,134,514	435,380	3,569,894
Other liabilities	2,530,043	3,536,723	6,066,766	2,504,308	4,641,312	7,145,620
Long-term liabilities	11,341,222	22,088,444	33,429,666	12,805,099	23,472,271	36,277,370
Total Liabilities	13,871,265	25,625,167	39,496,432	15,309,407	28,113,583	43,422,990
Deferred Inflows	250,472	24,082	274,554	122,195	6,425	128,620
Net Position:						
Net investment						
in capital assets	27,179,189	17,086,135	44,265,324	26,845,435	14,266,173	41,111,608
Restricted - expendable	5,562,102	798,786	6,360,888	1,431,249	577,904	2,009,153
Restricted - nonexpendable	1,034,745	-	1,034,745	849,621	-	849,621
Unrestricted	5,910,164	2,943,838	8,854,002	10,062,685	2,255,769	12,318,454
Total Net Position	\$ 39,686,200	\$ 20,828,759	\$ 60,514,959	\$ 39,188,990	\$ 17,099,846	\$ 56,288,836

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Statement of Activities:

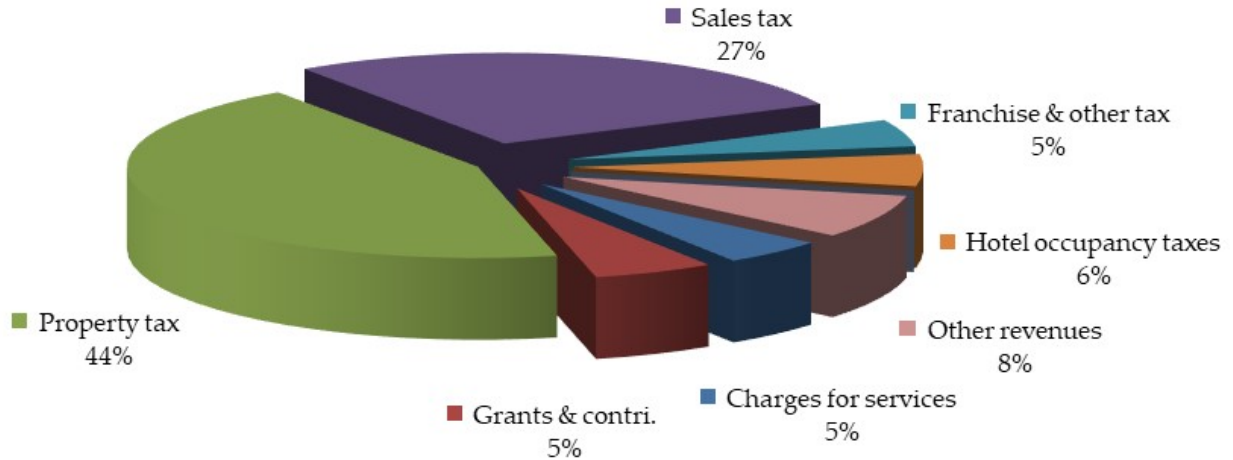
The following table provides a summary of the City's changes in net position:

	<u>For the Year Ended September 30, 2024</u>			<u>For the Year Ended September 30, 2023</u>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
			<u>Primary</u>			<u>Primary</u>
	<u>Activities</u>	<u>Activities</u>	<u>Government</u>	<u>Activities</u>	<u>Activities</u>	<u>Government</u>
Revenues						
Program revenues:						
Charges for services	\$ 743,036	\$ 8,835,947	\$ 9,578,983	\$ 825,079	\$ 9,130,939	\$ 9,956,018
Grants & contributions	865,733	2,650,483	3,516,216	56,768	-	56,768
General revenues:						
Property tax	6,838,810	-	6,838,810	6,667,197	-	6,667,197
Sales tax	4,279,996	-	4,279,996	4,167,844	-	4,167,844
Franchise & other tax	752,793	-	752,793	869,231	-	869,231
Hotel occupancy taxes	884,194	-	884,194	831,254	-	831,254
Investment income, net	1,065,528	595,209	1,660,737	843,079	528,314	1,371,393
Other revenues	140,355	253,558	393,913	327,068	124,626	451,694
Total Revenues	15,570,445	12,335,197	27,905,642	14,587,520	9,783,879	24,371,399
Expenses						
General government	2,156,019	-	2,156,019	2,208,337	-	2,208,337
Public safety	6,980,440	-	6,980,440	7,103,417	-	7,103,417
Highways & streets	1,188,257	-	1,188,257	1,857,450	-	1,857,450
Sanitation	-	1,578,436	1,578,436	-	1,363,845	1,363,845
Economic development	251,357	-	251,357	901,963	-	901,963
Culture & recreation	2,760,970	-	2,760,970	1,649,861	-	1,649,861
Interest & fiscal charges	159,635	-	159,635	171,810	-	171,810
Water & sewer	-	8,604,405	8,604,405	-	7,036,614	7,036,614
Total Expenses	13,496,678	10,182,841	23,679,519	13,892,838	8,400,459	22,293,297
Change in Net Position						
Before Transfers	2,073,767	2,152,356	4,226,123	694,682	1,383,420	2,078,102
Transfers in (out)	(1,576,557)	1,576,557	-	(479,748)	479,748	-
Total	(1,576,557)	1,576,557	-	(479,748)	479,748	-
Change in Net Position	497,210	3,728,913	4,226,123	214,934	1,863,168	2,078,102
Beginning Net Position	39,188,990	17,099,846	56,288,836	38,974,056	15,236,678	54,210,734
Ending Net Position	\$ 39,686,200	\$ 20,828,759	\$ 60,514,959	\$ 39,188,990	\$ 17,099,846	\$ 56,288,836

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

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

Governmental Activities - Revenues

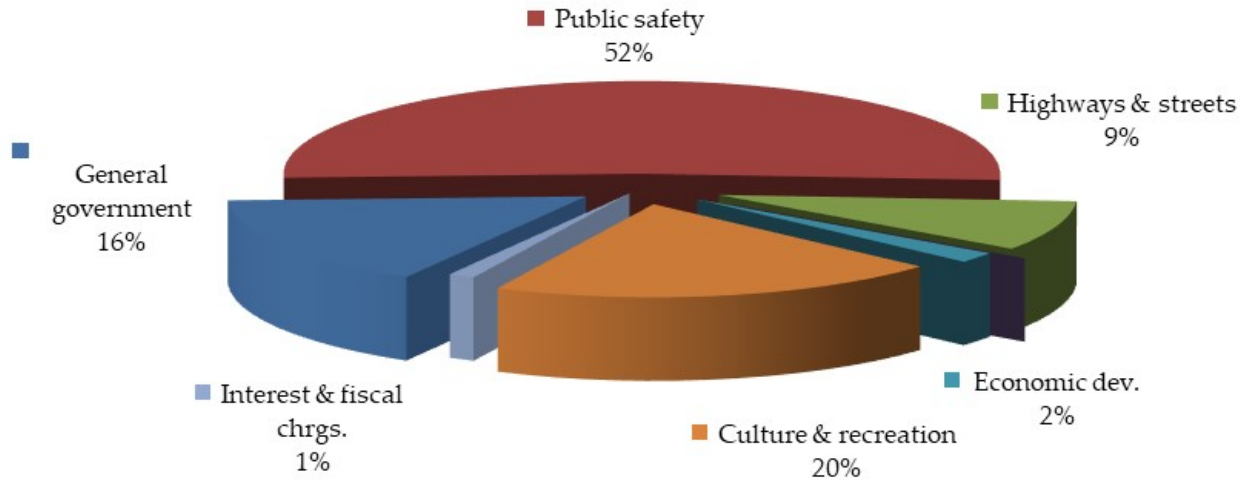


For the year ended September 30, 2024, revenues from governmental activities totaled \$15,570,445, reflecting an overall increased of \$982,925, or 7%, compared to the prior year. Sales tax and property tax are the City's largest revenue sources. Grants and contributions increased by \$808,965, or over 100%, primarily due to capital infrastructure contributed to the City by a developer during the current year. Franchise taxes decreased by \$116,438, or 13%, largely due to lower activity related to gas franchise revenues compared to the prior year. Hotel occupancy taxes increased by \$52,940, or 6%, as a result of higher hotel occupancy rates driven by continued growth in tourism in Woodway and the surrounding Waco area. Charges for services declined by \$82,043, or 10%, primarily due to a reduction in arboretum rentals, along with lower citation collections impacting fines and forfeitures. Investment income rose by \$222,449, or 26%, due to greater utilization of interest-bearing accounts and higher interest rates throughout the year. Other revenues decreased by \$186,713, or 57%, primarily due to nonrecurring proceeds received from the sale of capital assets in the prior year. All other revenues remained relatively stable compared to the prior year.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

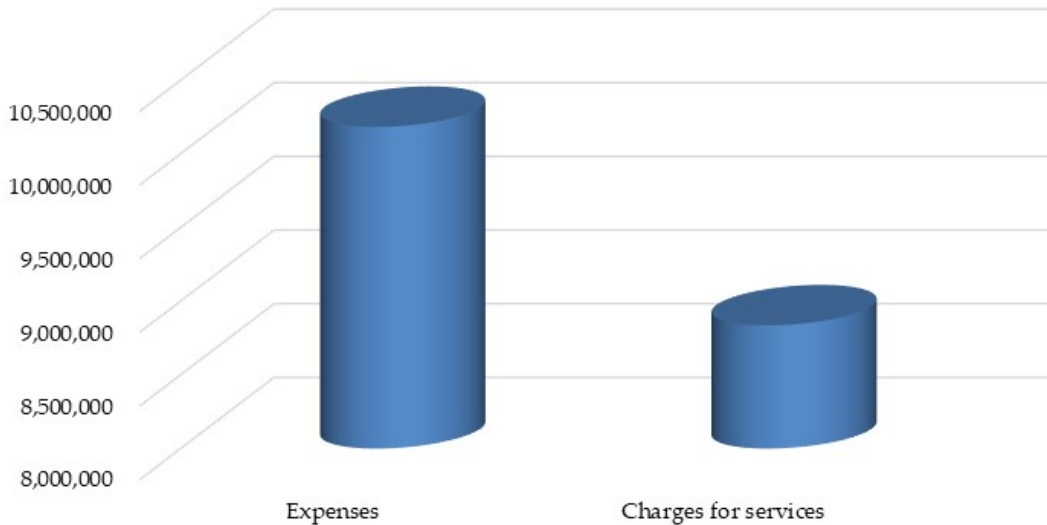


For the year ended September 30, 2024, expenses for governmental activities totaled \$13,496,678, reflecting a decrease of \$396,160, or 3%, compared to the prior year. Public safety remains the City's largest functional expense, totaling \$6,980,440. Highways and street expenses decreased by \$669,193, or 36%, primarily due to nonrecurring cost associated with non-capital street repair projects in the prior year. Culture and recreation expenses increased by \$1,111,109, or 67%, primarily due to costs associated with the opening of the new Woodway Family Center in addition to the change in coding of the pavilion activity from economic development. Economic development expenses decreased \$650,606, or 72%, due primarily to the change in coding of the pavilion activity to culture and recreation. Interest and fiscal charges decreased by \$12,175, or 7%, which is consistent with scheduled debt service payments. All other expenses remained relatively stable compared to the prior year.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2024, charges for services by business-type activities totaled \$8,835,947, reflecting a decrease of \$294,992, or 3%. At the same time, total expenses increased by \$1,782,382 or 21%, primarily due to operational challenges faced during the year caused by wells being down and the need to purchase more water from the City of Waco.

A significant factor contributing to the rise in expenses was the temporary shutdown of multiple water wells for repairs, which required the City to purchase additional water to meet demand. This unplanned cost increase placed upward pressure on operating expenses, further straining financial performance as revenues declined.

Moving forward, the financial sustainability of the Utility Fund will be influenced by the City's ability to manage maintenance costs, optimize water sourcing strategies, and ensure infrastructure reliability to mitigate similar occurrences in the future.

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.

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2024

At September 30, 2024, the City's governmental funds reported combined fund balances of \$15,540,611, a decrease of \$2,328,627 in comparison with the prior year. Approximately 22% of this amount, \$3,426,386, 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, \$1,101,002, 2) restricted for particular purposes, \$5,966,852, 3) committed for specific purposes, \$4,494,996, or 4) assigned for particular purposes, \$551,375.

As of the end of the year the general fund reflected a total fund balance of \$5,561,992. The general fund increased by \$606,913. This is largely due to the expenses coming in below budgeted expectations, as the City anticipated the need to utilize fund balance during the year.

The Future Capital Street Improvements fund reflected a fund balance of \$3,273,713, an increase of \$959,582 compared to the prior year, which is a direct result of having no current year capital outlay expenditures and having property tax revenues and investment income.

The Family Center Improvements fund reflected a fund balance of \$1,080,161, a decrease of \$1,423,289 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 \$1,663,767, a decrease of \$2,507,626, 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 \$2,328,627. This is primarily due to the planned utilization of funds for ongoing capital projects.

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 \$811,408 before other financing sources and uses in the general fund, and a total positive budget variance of \$923,227 after other financing sources and uses. Budgeted revenues were less than actual revenue by \$75,675. Total actual expenditures were \$811,408 under budget. All departmental expenditures were less than budgeted.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$34,199,077 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

City of Woodway, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2024

funds had invested \$35,760,126 in a variety of capital assets and infrastructure, net of accumulated depreciation.

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

- Additions to construction in progress projects totaling \$596,444. This includes the Wood Valley parking lot, Brookwood Dr. drainage, dispatch system updates, Estates Dr. and Fairway Rd. bicycle and pedestrian pathways, Whitehall parking lot, and the Woodway school sidewalk.
- Building improvements totaling \$2,018,742, including the Family Center, City Hall, and other public buildings.
- Purchased public safety equipment totaling \$296,933.
- Improvements to street infrastructure totaling \$1,260,163 (including capital contributions of \$802,625 from a local developer).
- Purchased vehicles for public safety and culture and recreation totaling \$317,403 and \$9,565, respectively.
- Additions to water and sewer infrastructure totaling \$5,753,174 (including capital contributions of \$802,625 from a local developer).
- Purchased utility department equipment totaling \$41,668.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds outstanding of \$27,235,000. The outstanding bonds consist of \$1,095,000 of General Obligation Refunding Bonds and \$26,140,000 of Certificates of Obligations. The City made \$1,445,000 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

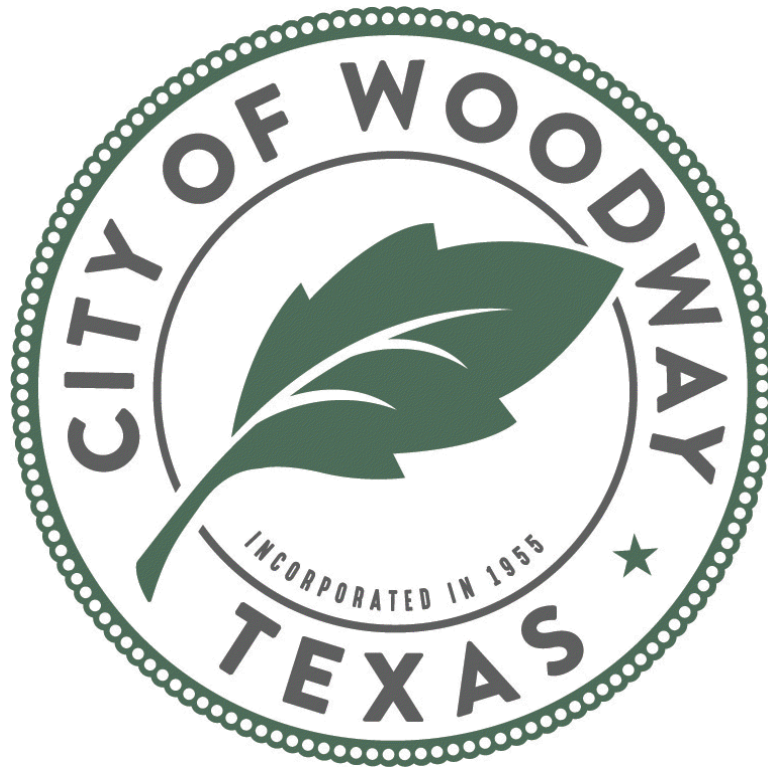
City of Woodway, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 13,870,366	\$ 8,963,873	\$ 22,834,239
Investments	2,234,436	250,000	2,484,436
Receivables, net	1,051,194	1,405,998	2,457,192
Prepays	66,257	16,367	82,624
Internal balances	213,379	(213,379)	-
Lease receivable, current	17,020	-	17,020
Total Current Assets	17,452,652	10,422,859	27,875,511
Lease receivable , noncurrent	37,719	-	37,719
Capital assets:			
Non-depreciable	1,342,886	7,997,568	9,340,454
Net depreciable capital assets	32,856,191	27,762,558	60,618,749
Total Noncurrent Assets	34,236,796	35,760,126	69,996,922
Total Assets	51,689,448	46,182,985	97,872,433
<u>Deferred Outflows of Resources</u>			
Pension outflows	2,114,177	257,730	2,371,907
OPEB outflows	4,312	526	4,838
Deferred charge on refunding	-	36,767	36,767
Total Deferred Outflows of Resources	2,118,489	295,023	2,413,512

City of Woodway, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2024

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	1,683,024	1,026,052	2,709,076
Accrued liabilities	-	653,752	653,752
Accrued interest payable	43,306	158,095	201,401
Unearned revenue	81,773	289,954	371,727
Customer deposits	-	108,849	108,849
Compensated absences, current	433,806	32,540	466,346
Long-term debt, current	288,134	1,267,481	1,555,615
Total Current Liabilities	2,530,043	3,536,723	6,066,766
Noncurrent liabilities:			
Long-term debt, noncurrent	6,142,275	21,456,922	27,599,197
Compensated absences, noncurrent	48,201	3,616	51,817
Net pension liability	4,939,428	602,145	5,541,573
OPEB liability	211,318	25,761	237,079
Total Noncurrent Liabilities	11,341,222	22,088,444	33,429,666
Total Liabilities	13,871,265	25,625,167	39,496,432
<u>Deferred Inflows of Resources</u>			
Lease related	52,916	-	52,916
Pension inflows	165,344	20,156	185,500
OPEB inflows	32,212	3,926	36,138
Total Deferred Inflows of Resources	250,472	24,082	274,554
<u>Net Position</u>			
Net investment in capital assets	27,179,189	17,086,135	44,265,324
Restricted for:			
Tourism	71,873	-	71,873
Arboretum	78,904	-	78,904
Public safety	263,956	-	263,956
Debt service	63,100	-	63,100
Capital projects	3,949,124	-	3,949,124
Equipment	1,135,145	548,786	1,683,931
Emergency reserve	-	250,000	250,000
Endowment - nonspendable	1,034,745	-	1,034,745
Unrestricted	5,910,164	2,943,838	8,854,002
Total Net Position	\$ 39,686,200	\$ 20,828,759	\$ 60,514,959

See Notes to Financial Statements.



City of Woodway, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2024

	General Fund	Future Capital Street Improvements	Family Center Improvements	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,970,025	\$ 3,273,712	\$ 1,141,174	\$ 2,240,822	\$ 3,244,633	\$ 13,870,366
Investments	1,250,000	-	-	-	984,436	2,234,436
Receivables, net	927,540	13,259	-	-	110,395	1,051,194
Prepays	66,257	-	-	-	-	66,257
Due from other funds	259,367	-	-	-	-	259,367
Lease receivables	54,739	-	-	-	-	54,739
Total Assets	\$ 6,527,928	\$ 3,286,971	\$ 1,141,174	\$ 2,240,822	\$ 4,339,464	\$ 17,536,359
Liabilities						
Accounts payable	\$ 804,966	\$ -	\$ 61,013	\$ 577,055	\$ 239,990	\$ 1,683,024
Due to other funds	-	-	-	-	45,988	45,988
Unearned revenue - rental revenue	-	-	-	-	81,773	81,773
Total Liabilities	804,966	-	61,013	577,055	367,751	1,810,785
Deferred Inflows of Resources						
Unavailable revenue						
Leases	52,916	-	-	-	-	52,916
Property taxes	108,054	13,258	-	-	10,735	132,047
Deferred Inflows of Resources	160,970	13,258	-	-	10,735	184,963
Fund Balances						
Nonspendable:						
Prepays	66,257	-	-	-	-	66,257
Endowment	-	-	-	-	1,034,745	1,034,745
Restricted for:						
Tourism	-	-	-	-	71,873	71,873
Arboretum	-	-	-	-	78,904	78,904
Public safety	4,004	-	-	-	259,952	263,956
Debt service	-	-	-	-	63,100	63,100
Capital projects	-	3,273,713	1,080,161	-	-	4,353,874
Equipment	1,135,145	-	-	-	-	1,135,145
Committed for:						
Revenue stabilization reserve	250,000	-	-	-	-	250,000
Capital projects	-	-	-	1,663,767	2,581,229	4,244,996
Assigned:						
Purchases on order	551,375	-	-	-	-	551,375
Unassigned (deficits)	3,555,211	-	-	-	(128,825)	3,426,386
Total Fund Balances	5,561,992	3,273,713	1,080,161	1,663,767	3,960,978	15,540,611
Total Liabilities, Deferred Inflows of Resources, and	\$ 6,527,928	\$ 3,286,971	\$ 1,141,174	\$ 2,240,822	\$ 4,339,464	\$ 17,536,359

See Notes to Financial Statements.

City of Woodway, Texas
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
September 30, 2024

Fund Balances - Total Governmental Funds	\$	15,540,611
 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		1,342,886
Capital assets - net depreciable		32,856,191
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		132,047
 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		2,114,177
Pension inflows		(165,344)
OPEB outflows		4,312
OPEB inflows		(32,212)
 Some liabilities, including bonds payable and deferred charges are not reported as liabilities in the governmental funds.		
Accrued interest		(43,306)
Premiums on bonds payable		(450,016)
Compensated absences		(482,007)
Non-current liabilities due in one year		(288,134)
Non-current liabilities due in more than one year		(5,692,259)
Net pension liability		(4,939,428)
OPEB liability		(211,318)
Net Position of Governmental Activities	\$	39,686,200

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, 2024

	General Fund	Future Capital Street Improvements	Family Center Improvements	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property tax	\$ 5,403,419	\$ 823,680	\$ -	\$ -	\$ 624,753	\$ 6,851,852
Sales tax	4,279,996	-	-	-	-	4,279,996
Franchise and local taxes	752,793	-	-	-	-	752,793
Hotel occupancy taxes	-	-	-	-	884,194	884,194
Intergovernmental revenue	27,790	-	-	-	-	27,790
License and permits	133,781	-	-	-	-	133,781
Charges for services	286,905	-	-	-	180,393	467,298
Fines and forfeitures	114,879	-	-	-	27,078	141,957
Investment income	301,724	135,902	89,538	162,412	375,952	1,065,528
Contributions and donations	-	-	-	-	35,318	35,318
Lease income	18,900	-	-	-	-	18,900
Other revenues	91,065	-	500	-	14,631	106,196
Total Revenues	11,411,252	959,582	90,038	162,412	2,142,319	14,765,603
Expenditures						
Current:						
General government	2,249,643	-	-	-	-	2,249,643
Public safety	7,098,005	-	-	-	45,530	7,143,535
Highways and streets	569,058	-	-	-	-	569,058
Economic development	44,407	-	-	-	-	44,407
Cultural and recreation	1,296,992	-	-	-	1,135,568	2,432,560
Debt service:						
Principal	7,821	-	-	-	265,000	272,821
Interest and fiscal charges	-	-	-	-	185,775	185,775
Capital outlay	-	-	1,513,327	670,038	472,653	2,656,018
Total Expenditures	11,265,926	-	1,513,327	670,038	2,104,526	15,553,817
Revenues Over (Under)						
Expenditures	145,326	959,582	(1,423,289)	(507,626)	37,793	(788,214)
Other Financing Sources (Uses)						
Transfers in	425,443	-	-	-	613,698	1,039,141
Transfers (out)	-	-	-	(2,000,000)	(615,698)	(2,615,698)
Sales of assets	6,398	-	-	-	-	6,398
Insurance recoveries	29,746	-	-	-	-	29,746
Total Other Financing Sources (Uses)	461,587	-	-	(2,000,000)	(2,000)	(1,540,413)
Net Change in Fund Balances	606,913	959,582	(1,423,289)	(2,507,626)	35,793	(2,328,627)
Beginning fund balances						
(as previously presented)	4,955,079	-	2,503,450	4,171,393	6,239,316	17,869,238
Change within financial reporting entity: (nonmajor to major)	-	2,314,131	-	-	(2,314,131)	-
Fund balances (as adjusted)	4,955,079	2,314,131	2,503,450	4,171,393	3,925,185	17,869,238
Ending Fund Balances	\$ 5,561,992	\$ 3,273,713	\$ 1,080,161	\$ 1,663,767	\$ 3,960,978	\$ 15,540,611

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, 2024

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

Net changes in fund balances - total governmental funds	\$ (2,328,627)
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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	3,704,045
Capital contributions	802,625
Depreciation expense	(1,929,114)
Net book value of capital assets sold	(20,885)

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

Property taxes	(13,042)
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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	(8,855)
Accrued interest	3,075
Pension expense	138
OPEB liability	(8,036)
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.

Principal payments	272,821
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Change in Net Position of Governmental Activities	\$ 497,210
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See Notes to Financial Statements.

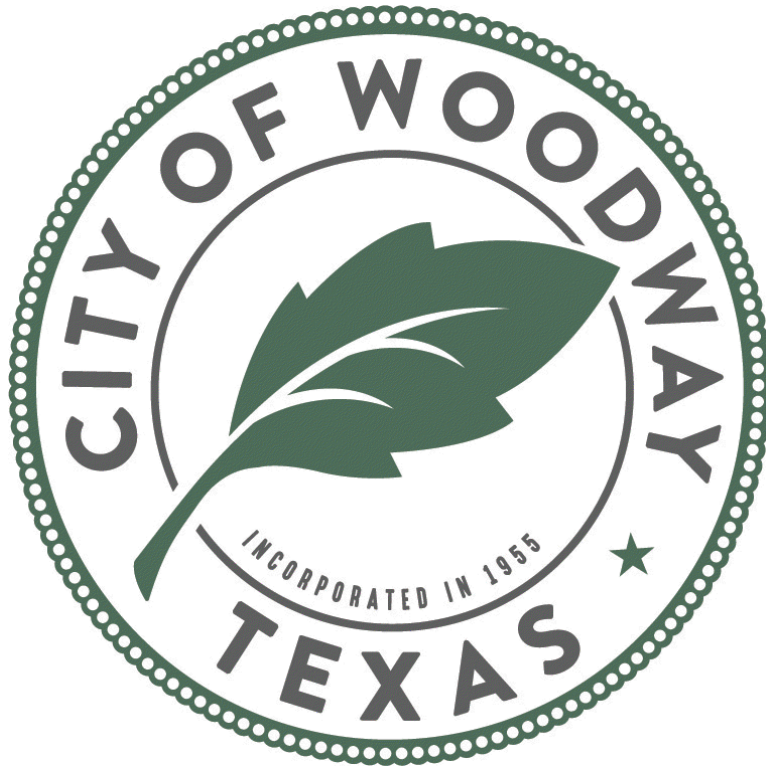
City of Woodway, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUND
September 30, 2024

	<u>Water & Sewer</u>	<u>Sanitation</u>	<u>Total</u>
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 8,960,841	\$ 3,032	\$ 8,963,873
Investments	250,000	-	250,000
Accounts receivables, net	1,156,276	249,722	1,405,998
Prepaid	16,367	-	16,367
Total Current Assets	10,383,484	252,754	10,636,238
<u>Noncurrent Assets</u>			
Capital assets:			
Non-depreciable	7,997,568	-	7,997,568
Net depreciable capital assets	27,762,558	-	27,762,558
Total Noncurrent Assets	35,760,126	-	35,760,126
Total Assets	46,143,610	252,754	46,396,364
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	36,767	-	36,767
OPEB outflows	526	-	526
Pension outflows	257,730	-	257,730
Total Deferred Outflows of Resources	295,023	-	295,023

City of Woodway, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUND
September 30, 2024

	Water & Sewer	Sanitation	Total
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 896,448	\$ 129,604	\$ 1,026,052
Accrued liabilities	653,752	-	653,752
Customer deposits	108,849	-	108,849
Unearned revenue	289,954	-	289,954
Accrued interest	158,095	-	158,095
Long-term debt, current	1,267,481	-	1,267,481
Due to other funds	-	213,379	213,379
Compensated absences, current	32,540	-	32,540
Total Current Liabilities	3,407,119	342,983	3,750,102
<u>Noncurrent Liabilities</u>			
Long-term debt, noncurrent	21,456,922	-	21,456,922
Compensated absences, noncurrent	3,616	-	3,616
Net pension liability	602,145	-	602,145
OPEB liability	25,761	-	25,761
Total Liabilities	25,495,563	342,983	25,838,546
<u>Deferred Inflows of Resources</u>			
Pension inflows	20,156	-	20,156
OPEB inflows	3,926	-	3,926
Total Deferred Inflows of Resources	24,082	-	24,082
<u>Net Position</u>			
Net investment in capital assets	17,086,135	-	17,086,135
Restricted for:			
Emergency reserve	250,000	-	250,000
Equipment	548,786	-	548,786
Unrestricted	3,034,067	(90,229)	2,943,838
Total Net Position	\$ 20,918,988	\$ (90,229)	\$ 20,828,759

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, 2024

	Water & Sewer	Sanitation	Total
<u>Operating Revenues</u>			
Charges for service	\$ 7,114,715	\$ 1,721,232	\$ 8,835,947
Other revenue	240,278	-	240,278
Total Operating Revenues	7,354,993	1,721,232	9,076,225
<u>Operating Expenses</u>			
Water services	4,171,862	-	4,171,862
Sewer services	1,569,273	-	1,569,273
Sanitation services	-	1,578,436	1,578,436
Customer service	488,660	-	488,660
Maintenance and repairs	457,475	-	457,475
Depreciation	1,331,803	-	1,331,803
Total Operating Expenses	8,019,073	1,578,436	9,597,509
Operating Income (Loss)	(664,080)	142,796	(521,284)
<u>Nonoperating Revenues (Expenses)</u>			
Gain on sale of assets	13,280	-	13,280
Interest expense	(585,332)	-	(585,332)
Investment income	595,040	169	595,209
Total Nonoperating Revenues (Expenses)	22,988	169	23,157
Income (Loss) Before Transfers	(641,092)	142,965	(498,127)
<u>Transfers and capital contributions</u>			
Developer contributions	802,625	-	802,625
Capital grants	1,847,858	-	1,847,858
Transfers in	2,000,000	-	2,000,000
Transfers (out)	(168,781)	(254,662)	(423,443)
Total Transfers and capital contributions	4,481,702	(254,662)	4,227,040
Change in Net Position	3,840,610	(111,697)	3,728,913
Beginning net position	17,078,378	21,468	17,099,846
Ending Net Position	\$ 20,918,988	\$ (90,229)	\$ 20,828,759

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, 2024

	Water & Sewer	Sanitation	Total
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 5,619,581	\$ 1,701,189	\$ 7,320,770
Receipts from other funds, net	-	130,225	130,225
Payments to employees	(1,008,367)	-	(1,008,367)
Payments to suppliers and contractors	(5,693,035)	(1,577,732)	(7,270,767)
Net Cash Provided (Used) by Operating Activities	(1,081,821)	253,682	(828,139)
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	2,000,000	-	2,000,000
Transfers to other funds	(168,781)	(254,662)	(423,443)
Net Cash Provided (Used) by Noncapital Financing Activities	1,831,219	(254,662)	1,576,557
<u>Cash Flows from Capital and Related Financing Activities</u>			
Proceeds from capital related debt	124,992	-	124,992
Capital grants	1,847,858	-	1,847,858
Purchase of capital assets	(4,292,767)	-	(4,292,767)
Disposal of capital assets	13,280	-	13,280
Principal on long-term debt	(1,219,698)	-	(1,219,698)
Interest paid on long-term debt	(658,084)	-	(658,084)
Net Cash (Used) by Capital and Related Financing Activities	(4,184,419)	-	(4,184,419)
<u>Cash Flows from Investing Activities</u>			
Interest on investments	595,040	169	595,209
Net Cash Provided by Investing Activities	595,040	169	595,209
Net Increase (Decrease) in Cash and Cash Equivalents	(2,839,981)	(811)	(2,840,792)
Beginning cash and cash equivalents	11,800,822	3,843	11,804,665
Ending Cash and Cash Equivalents	\$ 8,960,841	\$ 3,032	\$ 8,963,873

See Notes to Financial Statements.

City of Woodway, Texas

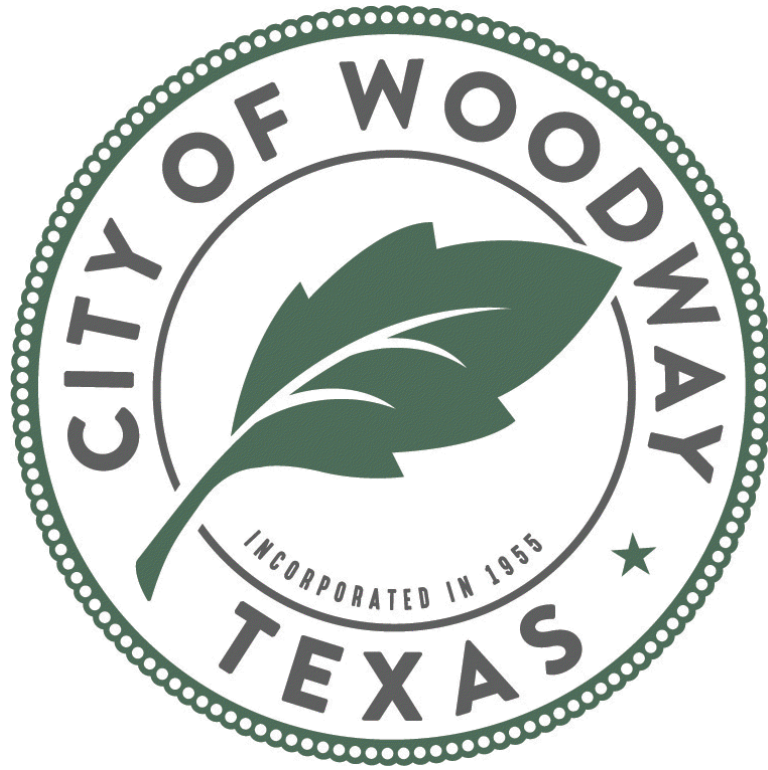
STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2024

	Water & Sewer	Sanitation	Total
<u>Reconciliation of Operating Income</u>			
<u>to Net Cash Provided by Operating Activities</u>			
Operating Income	\$ (664,080)	\$ 142,796	\$ (521,284)
Adjustments to reconcile operating income to net cash provided:			
Depreciation	1,331,803	-	1,331,803
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	114,239	(20,043)	94,196
Due from other funds	-	130,225	130,225
Prepaid expenses	(685)	-	(685)
Deferred outflows - pension	128,123	-	128,123
Deferred outflows - OPEB	(21)	-	(21)
Deferred inflows - pension	20,156	-	20,156
Deferred inflows - OPEB	(2,499)	-	(2,499)
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(12,659)	704	(11,955)
Unearned revenue	(1,847,858)	-	(1,847,858)
Customer deposits	(1,108)	-	(1,108)
Net pension liability	(152,343)	-	(152,343)
OPEB liability	3,184	-	3,184
Compensated absences	1,927	-	1,927
Net Cash Provided (Used) by Operating Activities	\$ (1,081,821)	\$ 253,682	\$ (828,139)

Schedule of Non-Cash Capital and Related Financing Activities:

Contributions of capital assets	\$ 802,625	\$ -	\$ 802,625
Change in capital related accounts payable	699,450	-	699,450

See Notes to Financial Statements.



City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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, 2024

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.

Future Capital Street Improvements

The future capital street improvements fund is used to account for the reserving if funds for future street improvements. The projects are funded through property taxes.

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.

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

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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.

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

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

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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.”

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.

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

Asset Description	Estimated Useful Life
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 asses 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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.

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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

- 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 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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.

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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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 rate. 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.

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.

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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 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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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 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. No supplemental budget appropriations were made during the year.

A. Deficit Fund Equity

At September 30, 2024, the sanitation fund and Carleen Bright Pavilion fund had deficit fund balances of \$90,229 and \$128,825, respectively. The deficit balances will be eliminated in the future with transfers from other funds.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

IV. DETAILED NOTES ON ALL FUNDS

B. Deposits and Investments

As of September 30, 2024, the primary government had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pools	\$ 8,501,544	0.07
Certificates of deposit	1,500,000	0.97
Stocks	651,886 *	0.00
Mutual funds	332,550 *	0.00
Total fair value	<u>\$ 10,985,980</u>	
Portfolio weighted average maturity		0.34

* Carried in permanent endowment fund.

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, 2024 the endowment fund consisted of stocks totaling \$651,885 and mutual funds totaling \$332,550, 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, 2024, 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, 2024, the market values of pledged securities and FDIC exceeded bank balances.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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 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, 2024, 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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

A. 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.

The following table sets forth by level, within the fair value hierarchy, the City's fair value measurements at September 30, 2024:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Mutual funds	\$ 332,550	\$ 332,550	\$ -	\$ -
Stocks	651,886	651,886	-	-
Certificates of deposit	1,500,000	1,500,000	-	-
Total Assets at fair value	<u>\$ 2,484,436</u>	<u>\$ 2,484,436</u>	<u>\$ -</u>	<u>\$ -</u>

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	\$ 108,054	\$ 7,142	\$ -	\$ -	\$ 115,196
Sales tax	756,415	-	-	-	756,415
Franchise and local tax	30,455	-	-	-	30,455
Hotel occupancy tax	-	99,455	-	-	99,455
Sanitation	-	-	-	265,899	265,899
Other	32,616	17,057	-	5,860	55,533
Accounts, net	-	-	1,363,989	-	1,363,989
Allowance	-	-	(207,713)	(22,037)	(229,750)
Total	<u>\$ 927,540</u>	<u>\$ 123,654</u>	<u>\$ 1,156,276</u>	<u>\$ 249,722</u>	<u>\$ 2,457,192</u>

In addition, the City has a lease receivable for a radio tower lease that was entered into November 18, 2022. The agreement has a term of five years, maturing November 17, 2027. As of the year ended September 30, 2024 the receivable balance was \$54,739. The lease related deferred inflow is \$52,916. The annual requirements to amortize governmental activities lease receivable outstanding at year ending were as follows:

<u>Governmental Activities</u>		
<u>Year ending September 30,</u>	<u>Tower Lease Receivable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 17,020	\$ 1,880
2026	17,714	1,186
2027	18,435	465
2028	1,570	5
Total	<u>\$ 54,739</u>	<u>\$ 3,536</u>

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	\$ 726,442	\$ -	\$ -	\$ 726,442
Construction in progress	4,995,799	596,944	(4,976,299)	616,444
Total capital assets not being depreciated	<u>5,722,241</u>	<u>596,944</u>	<u>(4,976,299)</u>	<u>1,342,886</u>
Capital assets, being depreciated:				
Buildings and improvements	12,303,935	2,018,742	4,976,299	19,298,976
Infrastructure	21,555,582	1,260,161	-	22,815,743
Vehicles and equipment	11,731,927	630,823	(165,771)	12,196,979
Right-of-use assets	42,364	-	-	42,364
Total capital assets being depreciated	<u>45,633,808</u>	<u>3,909,726</u>	<u>4,810,528</u>	<u>54,354,062</u>
Less accumulated depreciation				
Buildings and improvements	(6,461,547)	(530,148)	-	(6,991,695)
Infrastructure	(5,250,704)	(699,031)	-	(5,949,735)
Vehicles and equipment	(7,992,919)	(691,462)	144,886	(8,539,495)
Right-of-use assets	(8,473)	(8,473)	-	(16,946)
Total accumulated depreciation	<u>(19,713,643)</u>	<u>(1,929,114)</u>	<u>144,886</u>	<u>(21,497,871)</u>
Net capital assets being depreciated	<u>25,920,165</u>	<u>1,980,612</u>	<u>4,955,414</u>	<u>32,856,191</u>
Total Capital Assets	<u>\$ 31,642,406</u>	<u>\$ 2,577,556</u>	<u>\$ (20,885)</u>	<u>\$ 34,199,077</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 28,240
Public safety	561,942
Highway and streets	734,443
Economic development	198,869
Cultural and recreation	405,620
Total Governmental Activities Depreciation Expense	<u>\$ 1,929,114</u>

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

	<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	5,120,306	2,893,557	(201,141)	7,812,722
Total capital assets not being depreciated	<u>5,305,152</u>	<u>2,893,557</u>	<u>(201,141)</u>	<u>7,997,568</u>
Capital assets, being depreciated:				
Buildings and improvements	457,931	-	-	457,931
Vehicles and equipment	3,087,349	41,668	(31,543)	3,097,474
Infrastructure	42,112,249	2,734,625	201,141	45,048,015
Right-of-use assets	147,929	124,992	-	272,921
Total capital assets being depreciated	<u>45,805,458</u>	<u>2,901,285</u>	<u>169,598</u>	<u>48,876,341</u>
Less accumulated depreciation				
Buildings and improvements	(237,530)	(12,971)	-	(250,501)
Vehicles and equipment	(1,725,804)	(180,573)	31,543	(1,874,834)
Infrastructure	(17,828,289)	(1,099,481)	-	(18,927,770)
Right-of-use assets	(21,900)	(38,778)	-	(60,678)
Total accumulated depreciation	<u>(19,813,523)</u>	<u>(1,331,803)</u>	<u>31,543</u>	<u>(21,113,783)</u>
Net capital assets being depreciated	<u>25,991,935</u>	<u>1,569,482</u>	<u>201,141</u>	<u>27,762,558</u>
Total Capital Assets	<u><u>\$ 31,297,087</u></u>	<u><u>\$ 4,463,039</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,760,126</u></u>

Depreciation was charged to business-type functions as follows:

Water	\$ 1,055,023
Sewer	276,780
Total Business-Type Activities Depreciation Expense	<u><u>\$ 1,331,803</u></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 \$36,767. Current year amortization expense for business-type activities totaled \$12,255.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	\$ 473,152	\$ 434,692	\$ (425,837)	\$ 482,007	\$ 433,806
Total Governmental Activities	<u>\$ 473,152</u>	<u>\$ 434,692</u>	<u>\$ (425,837)</u>	<u>\$ 482,007</u>	<u>\$ 433,806</u>
Other long-term liabilities due in more than one year				<u>\$ 48,201</u>	
Business-Type Activities:					
Compensated absences	\$ 34,229	\$ 36,202	\$ (34,275)	\$ 36,156	\$ 32,540
Total Business-Type Activities	<u>\$ 34,229</u>	<u>\$ 36,202</u>	<u>\$ (34,275)</u>	<u>\$ 36,156</u>	<u>\$ 32,540</u>
Other long-term liabilities due in more than one year				<u>\$ 3,616</u>	

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	\$ 6,220,000	\$ -	\$ (265,000)	\$ 5,955,000	\$ 280,000
Deferred Amounts:					
Issuance Premium	473,081	-	(23,065)	450,016	-
Leases and Other:					
Software subscription	33,214	-	(7,821)	25,393	8,134
Total Governmental Activities	<u>\$ 6,726,295</u>	<u>\$ -</u>	<u>\$ (295,886)</u>	<u>\$ 6,430,409</u>	<u>\$ 288,134</u>
Long-term Liabilities Due in More than One Year				<u>\$ 6,142,275</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 21,015,000	\$ -	\$ (830,000)	\$ 20,185,000	\$ 860,000
Refunding Bonds	1,445,000	-	(350,000)	1,095,000	355,000
Deferred Amounts:					
Issuance Premium	1,310,259	-	(80,588)	1,229,671	-
Leases and Other:					
Lease liabilities	129,438	124,992	(39,698)	214,732	52,481
Total Business-Type Activities	<u>\$ 23,899,697</u>	<u>\$ 124,992</u>	<u>\$ (1,300,286)</u>	<u>\$ 22,724,403</u>	<u>\$ 1,267,481</u>
Long-term Liabilities Due in More than One Year				<u>\$ 21,456,922</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, 2024

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%	\$ 100,000	\$ -	\$ 100,000
\$3,670,000 Certificates of Obligation, Series 2016, due in annual installments through 2031, interest at 2.0%	-	1,860,000	1,860,000
\$9,200,000 Certificates of Obligation, Series 2017, due in annual installments through 2042, interest at 3.0%	-	8,045,000	8,045,000
\$6,335,000 Certificates of Obligation, Series 2021, due in annual installments through 2046, interest at 5.0%	5,855,000	10,280,000	16,135,000
Total Certificates of Obligation	<u>\$ 5,955,000</u>	<u>\$ 20,185,000</u>	<u>\$ 26,140,000</u>
Refunding Bonds:			
\$3,400,000 General obligation refunding bond, Series 2016, due in annual installments through 2027, interest at 3.0%	\$ -	\$ 1,095,000	\$ 1,095,000
Total General Obligation Bonds	<u>\$ -</u>	<u>\$ 1,095,000</u>	<u>\$ 1,095,000</u>
Premiums:			
Issuance premiums	\$ 450,016	\$ 1,229,671	\$ 1,679,687
Total Premiums	<u>\$ 450,016</u>	<u>\$ 1,229,671</u>	<u>\$ 1,679,687</u>
Leases and Other:			
\$65,696 lease agreement, Ram 2500, February 2023, due in 60 monthly installments through 2027, interest rate of 4%	\$ -	\$ 45,087	\$ 45,087
\$82,233 lease agreement, Ram 3500, February 2023, due in 60 monthly installments through 2027, interest rate of 4%	-	56,437	56,437
\$67,429 lease agreement, Ford F150, April 2024, due in 60 monthly installments through 2028, interest rate of 4%	-	56,543	56,543
\$62,563 lease agreement, Ford F250, April 2024, due in 60 monthly installments through 2028, interest rate of 4%	-	56,665	56,665
Software subscription	25,393	-	25,393
Total Leases and Other	<u>\$ 25,393</u>	<u>\$ 214,732</u>	<u>\$ 240,125</u>
Total Debt	<u>\$ 6,430,409</u>	<u>\$ 22,724,403</u>	<u>\$ 29,154,812</u>

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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
2025	\$ 280,000	\$ 173,225
2026	185,000	160,225
2027	195,000	150,975
2028	205,000	141,225
2029	215,000	130,975
2030	225,000	120,225
2031	240,000	108,975
2032-2036	1,320,000	415,475
2037-2041	1,465,000	270,075
2042-2046	1,625,000	110,876
Total	\$ 5,955,000	\$ 1,782,251

Year ending September 30,	Software Subscription	
	Principal	Interest
2025	\$ 8,134	\$ 1,016
2026	8,460	690
2027	8,799	352
Total	\$ 25,393	\$ 2,058

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, 2024

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
2025	\$ 355,000	\$ 21,900
2026	365,000	14,800
2027	375,000	7,500
Total	\$ 1,095,000	\$ 44,200

Business-Type Activities		
Year ending September 30,	Certificates of Obligation	
	Principal	Interest
2025	\$ 860,000	\$ 592,807
2026	890,000	560,306
2027	925,000	526,557
2028	1,100,000	494,506
2029	1,140,000	457,007
2030	1,180,000	417,906
2031	1,220,000	377,257
2032-2036	4,435,000	1,426,932
2037-2041	5,040,000	824,970
2042-2046	3,395,000	213,695
Total	\$ 20,185,000	\$ 5,891,943

Business-Type Activities		
Year ending September 30,	Lease Liability	
	Principal	Interest
2025	\$ 52,481	\$ 1,569
2026	54,619	1,043
2027	56,844	496
2028	37,183	-
2029	13,605	40
Total	\$ 214,732	\$ 3,148

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

H. Interfund Transactions

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

Transfers In:	Transfers Out:				Total
	Nonmajor Govt.	General Capital Projects	Water and Sewer	Sanitation	
General	\$ 2,000	\$ -	\$ 168,781	\$ 254,662	\$ 425,443
Water and Sewer	-	2,000,000	-	-	2,000,000
Nonmajor govt.	613,698	-	-	-	613,698
Total	\$ 615,698	\$ 2,000,000	\$ 168,781	\$ 254,662	\$ 3,039,141

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.

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

Due To:	Due From:		
	Sanitation	Nonmajor Govt.	Total
General	\$ 213,379	\$ 45,988	\$ 259,367
Total	\$ 213,379	\$ 45,988	\$ 259,367

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.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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The following is a list of fund balances restricted/committed by the City:

	Restricted	Committed
Tourism	\$ 71,873 *	\$ -
Arboretum	78,904	-
Public safety	263,956 *	-
Debt service	63,100	-
Revenue stabilization	-	250,000
Capital projects	1,080,161	7,518,709
Equipment	1,135,145	-
Total	\$ 2,693,139	\$ 7,768,709

*Restricted by enabling legislation

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.

D. Pension Plans

Texas Municipal Retirement Systems

1. Plan Description

The City participates as one of 934 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.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, 2024

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 2023</u>	<u>Plan Year 2022</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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	77
Active employees	89
Total	225

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 17.23% and 17.97% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$1,276,395 and were equal to the required contributions.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

4. Net Pension Liability

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

Actuarial assumptions:

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

Inflation	2.5% per year
Overall payroll growth	2.75% per year
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, 2024

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 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
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 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 11,326,706	\$ 5,541,573	\$ 828,757

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/22	\$ 37,128,204	\$ 30,252,569	\$ 6,875,635
Changes for the year:			
Service Cost	1,163,778	-	1,163,778
Interest	2,488,756	-	2,488,756
Change in benefit terms	-	-	-
Difference between expected and actual experience	419,522	-	419,522
Changes of assumptions	(245,922)	-	(245,922)
Contributions – employer	-	1,192,146	(1,192,146)
Contributions – employee	-	484,331	(484,331)
Net investment income	-	3,506,151	(3,506,151)
Benefit payments, including refunds of emp. contributions	(1,679,269)	(1,679,269)	-
Administrative expense	-	(22,275)	22,275
Other changes	-	(157)	157
Net changes	2,146,865	3,480,927	(1,334,062)
Balance at 12/31/23	\$ 39,275,069	\$ 33,733,496	\$ 5,541,573

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, 2024, the City recognized pension expense of \$1,272,192.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ 620,594	\$ -
Changes in actuarial assumptions	-	(185,500)
Difference between projected and investment earnings	785,488	-
Contributions subsequent to the measurement date	965,825	-
Total	\$ 2,371,907	\$ (185,500)

The City reported \$965,825 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$ 410,415
2025	409,735
2026	690,261
2027	(289,829)
2028	-
Thereafter	-
	\$ 1,220,582

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
September 30, 2024

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

Inactive employees or beneficiaries currently receiving benefits	38
Inactive employees entitled to but not yet receiving benefits	17
Active employees	89
Total	144

The City's contributions to the TMRS SDBF for the years ended 2023 and 2024 were \$6,228 \$6,459, 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
2022	0.09%	0.09%	100.0%
2023	0.08%	0.08%	100.0%
2024	0.09%	0.09%	100.0%

Total OPEB Liability

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

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Actuarial assumptions:

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

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

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

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease	Current Single Rate	1% Increase
2.77%	Assumption 3.77%	4.77%
\$ 285,342	\$ 237,079	\$ 199,712

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/22	\$ 205,740
Changes for the year:	
Service Cost	8,995
Interest	8,403
Difference between expected and actual experience	7,499
Changes of assumptions	11,977
Benefit payments	(5,535)
Net changes	31,339
Balance at 12/31/23	\$ 237,079

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$15,160.

At September 30, 2024, 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	\$ -	\$ (35,297)
Difference between expected and actual experience	-	(841)
Contributions subsequent to measurement date	4,838	-
Total	\$ 4,838	\$ (36,138)

The City reported \$4,838 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2025.

City of Woodway, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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:	
2024	\$ (4,050)
2025	(4,104)
2026	(9,412)
2027	(12,820)
2028	(6,907)
Thereafter	1,155
	<u>\$ (36,138)</u>

E. Subsequent Events

There were no material subsequent events through March 14, 2025, 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, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	\$ 5,293,307	\$ 5,403,419	\$ 110,112
Sales tax	4,310,000	4,279,996	(30,004)
Franchise and local taxes	807,370	752,793	(54,577)
License and permits	158,700	133,781	(24,919)
Charges for services	276,800	286,905	10,105
Intergovernmental revenue	-	27,790	27,790
Fines and forfeitures	153,000	114,879	(38,121)
Investment income	220,000	301,724	81,724
Contributions and donations	12,000	-	(12,000)
Lease income	18,900	18,900	-
Other revenues	85,500	91,065	5,565
Total Revenues	11,335,577	11,411,252	75,675
Expenditures			
Current:			
General government	2,468,142	2,249,643	218,499
Public safety	7,638,633	7,098,005	540,628
Highways and streets	569,196	569,058	138
Economic development	55,179	44,407	10,772
Culture and recreation	1,338,363	1,296,992	41,371
Debt service:			
Principal	7,821	7,821	-
Total Expenditures	12,077,334	11,265,926	811,408
Revenues Over (Under)			
Expenditures	(741,757)	145,326	887,083

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, 2024

Other Financing Sources (Uses)

Transfers in	425,443	425,443	-
Sales of assets	-	6,398	6,398
Insurance recoveries	-	29,746	29,746
Total Other			
Financing Sources (Uses)	425,443	461,587	36,144
Net Change in Fund Balance	\$ (316,314)	606,913	\$ 923,227
Beginning fund balance		4,955,079	
Ending Fund Balance		\$ 5,561,992	

Notes to Required Supplementary Information

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

City of Woodway, Texas

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

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,163,778	\$ 1,086,656	\$ 1,031,721	\$ 976,478	\$ 879,656	\$ 809,551	\$ 804,076	\$ 747,227	\$ 671,680	\$ 603,865
Interest	2,488,756	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	419,522	453,174	141,530	460,153	178,467	(88,985)	432,982	151,146	242,961	25,877
Changes of assumptions	(245,922)	-	-	-	55,501	-	-	-	(29,774)	-
Benefit payments, including refunds of participant contributions	(1,679,269)	(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	2,146,865	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	\$ 37,128,204	\$ 34,377,511	\$ 32,123,330	\$ 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)	\$ 39,275,069	\$ 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	\$ 1,192,146	\$ 1,156,002	\$ 1,072,070	\$ 983,199	\$ 893,773	\$ 827,205	\$ 821,922	\$ 718,365	\$ 692,941	\$ 656,758
Contributions - members	484,331	457,952	434,539	410,400	380,098	353,075	347,012	320,698	303,731	281,525
Net investment income	3,506,151	(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	(1,679,269)	(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	(22,275)	(20,269)	(16,907)	(12,670)	(19,394)	(13,417)	(14,279)	(13,939)	(16,308)	(10,094)
Other	(157)	24,187	117	(494)	(583)	(700)	(723)	(751)	(805)	(830)
Net change in plan fiduciary net position	3,480,927	(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	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	16,901,232
Plan fiduciary net position - ending (b)	\$ 33,733,496	\$ 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)	\$ 5,541,573	\$ 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	85.89%	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	6.919,015	6,542,176	6,207,706	5,861,215	5,429,973	5,043,934	4,957,313	4,581,406	4,339,019	4,021,790
	80.09%	105.10%	36.88%	69.89%	73.53%	112.84%	73.69%	101.78%	103.35%	77.69%

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

Years Ended:

	9/30/2024	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	\$ 1,276,395	\$ 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	\$ 1,276,395	\$ 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	\$ 7,177,146	\$ 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	17.78%	17.34%	17.56%	17.13%	16.68%	16.44%	16.45%	16.49%	15.91%	15.90%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Percentage of Payroll, Closed
 Remaining Amortization Period 22 years
 Asset Valuation Method 10 Year smoothed market; 12% soft corridor
 Inflation 2.5%
 Salary Increases 3.60% to 11.85% 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 2023 valuation pursuant to an experience study of the period 2022.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
 Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

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,

		2023	2022	2021	2020	2019	2018	2017	¹
Total OPEB liability									
Service cost	\$	8,995	\$ 17,010	\$ 16,140	\$ 15,825	\$ 12,489	\$ 8,575	\$ 6,940	
Interest		8,403	5,458	5,719	6,290	6,578	5,781	5,591	
Differences between expected and actual experience		7,499	4,159	(15,548)	(766)	(5,501)	901	-	
Changes of assumptions		11,977	(106,052)	9,356	39,062	37,625	(13,514)	14,626	
Benefit payments, including refunds of participant contributions		(5,535)	(5,888)	(4,966)	(1,758)	(1,086)	(1,009)	(1,487)	
Net change in total OPEB liability		<u>31,339</u>	<u>(85,313)</u>	<u>10,701</u>	<u>58,653</u>	<u>50,105</u>	<u>734</u>	<u>25,670</u>	
Total OPEB liability - beginning	\$	<u>205,740</u>	<u>\$ 291,053</u>	<u>\$ 280,352</u>	<u>\$ 221,699</u>	<u>\$ 171,594</u>	<u>\$ 170,860</u>	<u>\$ 145,190</u>	
Total OPEB liability - ending	\$	<u><u>237,079</u></u>	<u><u>\$ 205,740</u></u>	<u><u>\$ 291,053</u></u>	<u><u>\$ 280,352</u></u>	<u><u>\$ 221,699</u></u>	<u><u>\$ 171,594</u></u>	<u><u>\$ 170,860</u></u>	²
Covered employee payroll	\$	6,919,015	\$ 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		3.43%	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, 2024

	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	\$ -	\$ 2,790,926	\$ -	\$ -	\$ 1,652	\$ 80,346	\$ 15,962	\$ 331	\$ 61,400	
Investments	-	-	-	-	-	-	-	-	-	
Receivables, net	-	3,614	-	99,455	-	184	-	-	-	
Total Assets	\$ -	\$ 2,794,540	\$ -	\$ 99,455	\$ 1,652	\$ 80,530	\$ 15,962	\$ 331	\$ 61,400	
Liabilities										
Accounts payable and accrued expenses	\$ -	\$ 209,718	\$ -	\$ 334	\$ -	\$ 1,626	\$ -	\$ -	\$ -	
Due to other funds	-	-	-	27,248	-	-	-	-	-	
Unearned revenue - rental revenue	-	-	-	-	-	-	-	-	-	
Total Liabilities	-	209,718	-	27,582	-	1,626	-	-	-	
Deferred Inflow of Resources										
Unavailable revenue - prop. tax	-	3,593	-	-	-	-	-	-	-	
Total Deferred Inflow of Resources	-	3,593	-	-	-	-	-	-	-	
Fund Balances										
Nonspendable:										
Endowment	-	-	-	-	-	-	-	-	-	
Restricted for:										
Public safety	-	-	-	-	1,652	-	15,962	331	-	
Tourism	-	-	-	71,873	-	-	-	-	-	
Arboretum	-	-	-	-	-	78,904	-	-	-	
Municipal court	-	-	-	-	-	-	-	-	61,400	
Debt service	-	-	-	-	-	-	-	-	-	
Committed for:										
Capital projects	-	2,581,229	-	-	-	-	-	-	-	
Unassigned (deficits)	-	-	-	-	-	-	-	-	-	
Total Fund Balances	-	2,581,229	-	71,873	1,652	78,904	15,962	331	61,400	
Total Liabilities, Deferred Inflows and Fund Balances	\$ -	\$ 2,790,947	\$ -	\$ 99,455	\$ 1,652	\$ 80,530	\$ 15,962	\$ 331	\$ 61,400	

City of Woodway, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

	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	Carleen Bright Pavilion	General Debt Service	Permanent Carleen Bright Endowment				
Assets												
Cash and cash equivalents	\$ 9,077	\$ 137,284	\$ 11,055	\$ 22,737	\$ 454	\$ -	\$ 63,100	\$ 50,309	\$ -	\$ 3,244,633		
Investments	-	-	-	-	-	-	-	984,436	-	984,436		
Taxes receivable, net	-	-	-	-	-	-	7,142	-	-	110,395		
Total Assets	\$ 9,077	\$ 137,284	\$ 11,055	\$ 22,737	\$ 454	\$ -	\$ 70,242	\$ 1,034,745	\$ -	\$ 4,339,464		
Liabilities												
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,312	\$ -	\$ -	\$ -	\$ 239,990		
Due to other funds	-	-	-	-	-	18,740	-	-	-	45,988		
Unearned revenue - rental revenue	-	-	-	-	-	81,773	-	-	-	81,773		
Total Liabilities	-	-	-	-	-	128,825	-	-	-	367,751		
Deferred Inflow of Resources												
Unavailable revenue - prop. tax	-	-	-	-	-	-	7,142	-	-	10,735		
Total Deferred Inflow of Resources	-	-	-	-	-	-	7,142	-	-	10,735		
Fund Balances												
Nonspendable:												
Endowment	-	-	-	-	-	-	-	1,034,745	-	1,034,745		
Restricted for:												
Public safety	-	-	11,055	-	-	-	-	-	-	29,000		
Tourism	-	-	-	-	-	-	-	-	-	71,873		
Arboretum	-	-	-	-	-	-	-	-	-	78,904		
Municipal court	9,077	137,284	-	22,737	454	-	-	-	-	230,952		
Debt service	-	-	-	-	-	-	63,100	-	-	63,100		
Committed for:												
Capital projects	-	-	-	-	-	-	-	-	-	2,581,229		
Unassigned (deficits)	-	-	-	-	-	(128,825)	-	-	-	(128,825)		
Total Fund Balances	9,077	137,284	11,055	22,737	454	(128,825)	63,100	1,034,745	-	3,960,978		
Total Liabilities, Deferred Inflows and Fund Balances	\$ 9,077	\$ 137,284	\$ 11,055	\$ 22,737	\$ 454	\$ -	\$ 70,242	\$ 1,034,745	\$ -	\$ 4,339,464		

City of Woodway, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024

	Capital Project Funds			Special Revenue Funds						
	Future Capital Street Improvements	Other Governmental Capital Projects	Governmental Capital Projects	Tourism	Unclaimed Money	Arboretum Programs	Drug Seizure/ Forfeiture	Law Enforcement Cont. Education	Building Security - Municipal Court	
Revenues										
Property tax	\$ -	\$ 274,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Hotel occupancy tax	-	-	884,194	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	5,089	3,698	
Contributions and donations	-	250	-	-	-	35,068	-	-	-	
Investment income	-	139,964	16,420	-	-	4,017	555	174	3,348	
Other revenue	-	-	-	-	-	-	5,043	-	-	
Total Revenues	-	414,774	900,614	-	-	39,085	5,598	5,263	7,046	
Expenditures										
Public safety	-	-	-	-	-	-	-	5,085	-	
Culture and recreation	-	-	155,199	-	-	53,518	-	-	-	
Debt service:										
Principal	-	-	95,000	-	-	-	-	-	-	
Interest	-	-	7,800	-	-	-	-	-	-	
Capital outlay	-	452,474	-	-	-	-	-	-	20,179	
Total Expenditures	-	452,474	257,999	-	-	53,518	-	5,085	20,179	
Revenues Over (Under) Expenditures	-	(37,700)	642,615	-	-	(14,433)	5,598	178	(13,133)	
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	-	
Transfers (out)	-	-	(613,698)	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	(613,698)	-	-	-	-	-	-	
Net Change in Fund Balances	-	(37,700)	28,917	-	-	(14,433)	5,598	178	(13,133)	
Beginning fund balances (as previously presented)	2,314,131	2,618,929	42,956	1,652	1,652	93,337	10,364	153	74,533	
Change in financial reporting entity: (nonmajor to major)	(2,314,131)	-	-	-	-	-	-	-	-	
Fund balances (as adjusted)	-	2,618,929	42,956	1,652	1,652	93,337	10,364	153	74,533	
Ending Fund Balances	\$ -	\$ 2,581,229	\$ 71,873	\$ 1,652	\$ 1,652	\$ 78,904	\$ 15,962	\$ 331	\$ 61,400	

City of Woodway, Texas

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

For the Year Ended September 30, 2024

	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	Carleen Bright Pavilion	General Debt Service	Permanent Carleen Bright Endowment				
Revenues												
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,753
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-	-	884,194
Charges for services	-	-	-	-	-	-	180,393	-	-	-	-	180,393
Fines and forfeitures	3,095	11,514	-	3,610	72	-	-	-	-	-	-	27,078
Contributions and donations	-	-	-	-	-	-	-	-	-	-	-	35,318
Investment income	396	6,540	1,157	1,033	21	-	-	11,268	191,059	-	-	375,952
Other revenue	-	-	9,588	-	-	-	-	-	-	-	-	14,631
Total Revenues	3,491	18,054	10,745	4,643	93	180,393	361,461	191,059	2,142,319			
Expenditures												
Public safety	1,549	-	38,896	-	-	-	-	-	-	-	-	45,530
Culture and recreation	-	-	-	-	-	920,916	-	-	-	5,935	-	1,135,568
Debt service:												
Principal	-	-	-	-	-	-	170,000	-	-	-	-	265,000
Interest	-	-	-	-	-	-	177,975	-	-	-	-	185,775
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	472,653
Total Expenditures	1,549	-	38,896	-	-	920,916	347,975	5,935	2,104,526			
Revenues Over (Under) Expenditures	1,942	18,054	(28,151)	4,643	93	(740,523)	13,486	185,124	37,793			
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	613,698
Transfers (out)	-	-	-	-	-	(2,000)	-	-	-	-	-	(615,698)
Total Other Financing Sources (Uses)	-	-	-	-	-	611,698	-	-	(2,000)	-	-	(2,000)
Net Change in Fund Balances	1,942	18,054	(28,151)	4,643	93	(128,825)	13,486	185,124	35,793			
Beginning fund balances (as previously presented)	7,135	119,230	39,206	18,094	361	-	49,614	849,621	6,239,316			
Change in financial reporting entity: (nonmajor to major)	-	-	-	-	-	-	-	-	-	-	-	(2,314,131)
Fund balances (as adjusted)	7,135	119,230	39,206	18,094	361	-	49,614	849,621	3,925,185			
Ending Fund Balances	9,077	137,284	11,055	22,737	454	128,825	63,100	1,034,745	3,960,978			

WOODWAY
TEXAS