

City of West University Place Annual Comprehensive Financial Report



For the Fiscal Year Ended
December 31, 2021



City of West University Place, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2021

Officials Issuing Report:

David Beach
City Manager

Marie Kalka
Finance Director

City of West University Place, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended December 31, 2021
 Table of Contents

**Page
Number**

Introductory Section

Letter of Transmittal.....	3
Organizational Chart.....	7
Certificate of Achievement for Excellence in Financial Reporting.....	8
Principal Officials	9

Financial Section

Independent Auditor's Report.....	13
Management's Discussion and Analysis (Required Supplementary Information)	17

Basic Financial Statements

Government-Wide Financial Statements:	
Statement of Net Position	29
Statement of Activities.....	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	35
Statement of Net Position - Proprietary Funds.....	36
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	37
Statement of Cash Flows - Proprietary Funds	38
Notes to Financial Statements	39

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	69
Schedule of Changes in the Net Pension Liability and Related Ratios - Texas Municipal Retirement System.....	70
Schedule of the City's Contributions - Texas Municipal Retirement System	72
Schedule of Changes in Total OPEB Liability and Related Ratios - Texas Municipal Retirement System, Supplemental Death Benefits Fund	74
Schedule of Changes in Total OPEB Liability and Related Ratios - Retiree Health Care Plan	75
Notes to Required Supplementary Information	77

City of West University Place, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended December 31, 2021
 Table of Contents - Continued

Combining and Individual Fund Statements and Schedules

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	82
Combining Balance Sheet – Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	86
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Parks Fund	88
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Tree Replacement Fund	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Court Technology/Security Fund	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – METRO Fund	91
Combining Statement of Net Position – Internal Service Funds	94
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	96
Combining Statement of Cash Flows – Internal Service Funds	98

Statistical Section

Net Position by Component.....	104
Changes in Net Position	106
Fund Balances, Governmental Funds	110
Changes in Fund Balances, Governmental Funds	112
Tax Revenues by Source, Governmental Funds	114
Assessed Value and Actual Value of Taxable Property	116
Property Tax Rates – Direct and Overlapping Governments	118
Principal Property Taxpayers	121
Property Tax Levies and Collections	122
Ratios of Outstanding Debt by Type	124
Ratios of Net Bonded Debt to Assessed Value, Net Bonded Debt per Capita, and Assessed and Estimated Actual Value of Taxable Property	126
Direct and Overlapping Governmental Activities Debt	129
Legal Debt Margin Information	130
Pledged Revenue Coverage	132
Demographic and Economic Statistics	134
Principal Employers	135
Full-Time Equivalent City Government Employees by Function.....	137
Operating Indicators by Function.....	138
Capital Asset Statistics by Function	140

Overall Compliance and Internal Control Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	145
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Introductory Section

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June 8, 2022

The Honorable Mayor, City Council
Members, and Citizens of the
City of West University Place, Texas:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of West University Place, Texas (the "City") for the fiscal year ended December 31, 2021. This report is published to provide the City Council (the "Council"), City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe the data presented is accurate in all material respects and is organized in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City was incorporated in 1924 and became a Texas Home-Rule City in 1940. The City operates under the Council-Manager form of municipal government. The Council is comprised of the Mayor and four Council members, who are responsible for passing ordinances, adopting the budget, appointing board and committee members, and appointing the City Manager. The Mayor and Council are elected on an at-large, non-partisan basis for two-year terms. The City Manager is responsible for carrying out the policies and ordinances of the Mayor and Council, overseeing the day-to-day operations of the City, and appointing department directors.

The City provides a full range of municipal services. These services include police and fire protection, municipal court, streets, drainage, leisure services, water and sewer, solid waste collection and disposal, community development, and general administrative services. Based upon the criterion set forth in generally accepted accounting principles, the following organization is included within the City's reporting entity:

<u>Entity</u>	<u>Method of Inclusion</u>
Friends of West University Parks Fund	Blended

LOCAL ECONOMY

The City encompasses a two square mile area located a few blocks south of U.S. Highway 59 (the "Southwest Freeway") and approximately five miles from downtown Houston, Texas. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Bellaire, and Southside Place. The City is primarily a residential area whose working inhabitants are employed throughout the Houston urban area. Rice University and the Texas Medical Center complex are located about one mile east of the City limits in the City of Houston.

There is almost no vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. The City continues to enjoy a stable outlook, with property values currently estimated at \$7.2 billion for the 2021 tax year. Among reasons for this strength are the City's convenient proximities to the Texas Medical Center, downtown Houston, the Rice Village and Rice University, as well as the Galleria area.

The City's tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values and political stability of the community. The relative stability is the result of a desire for suburban families to live closer to work. The City's low crime rate, exceptional elementary school, and hometown appeal have attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believes we are currently in compliance.

The City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, in an effort to reduce the City's unfunded liability and cost of the Texas Municipal Retirement System, the Council approved the elimination of the recurring cost-of-living adjustment for employees and retirees. For retiree healthcare, at the November 17, 2008 Council meeting, Council adopted a new personnel handbook, with modifications that included elimination of City funded healthcare coverage for employees hired January 1, 2009 and thereafter.

The City has refunded several outstanding debt obligations from 2010 through 2021, resulting in total debt savings of over \$5.5M.

Capital expenditures are funded through annual allocations from the general fund, the water and sewer fund, the Congestion Mitigation/Traffic Management agreement funds received from the Metropolitan Transit Authority of Harris County or the issuance of debt. The allocations are transferred to the capital improvements fund for general capital projects, to the water and sewer capital reserve fund for water and sewer related projects, or to the transportation/drainage fund for qualifying projects.

General capital projects planned for the 2022 budget include the beginning of Enterprise Resource Planning (ERP) evaluation, network improvements, radio replacements and park improvements at Judson and Wier Parks.

Transportation and drainage projects planned for the 2022 budget include major drainage improvements throughout the City, continuation of the Buffalo Speedway project, sidewalk replacements, traffic signal replacements and the Edloe Street pathway project.

Water and sewer related projects planned in 2022 include waterline replacements, valve replacements, purchase of generators, the preliminary engineers report on the Bellaire elevated storage tank replacement, the Law Street water line installation, wastewater reuse, wastewater treatment plant improvements, sewer and manhole improvements, and lift station SCADA replacement.

These projects are listed specifically in the annual budget in the capital project funds section.

RELEVANT FINANCIAL POLICIES

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing the financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter (the "Charter") establishes the fiscal year as January 1 through December 31. The Charter requires the City Manager to submit a proposed budget and accompanying budget message to the Council each year. The proposed budget is reviewed by the Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items within a department within any fund; however, any revisions that alter the total expenditures of any fund or department must be approved by the Council.

Budgetary control has been established at the department level. Monthly financial reports for Council are produced showing budget and actual revenues and expenditures. Individual line items are reviewed and analyzed for budgetary compliance.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended 2020. This was the 37th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

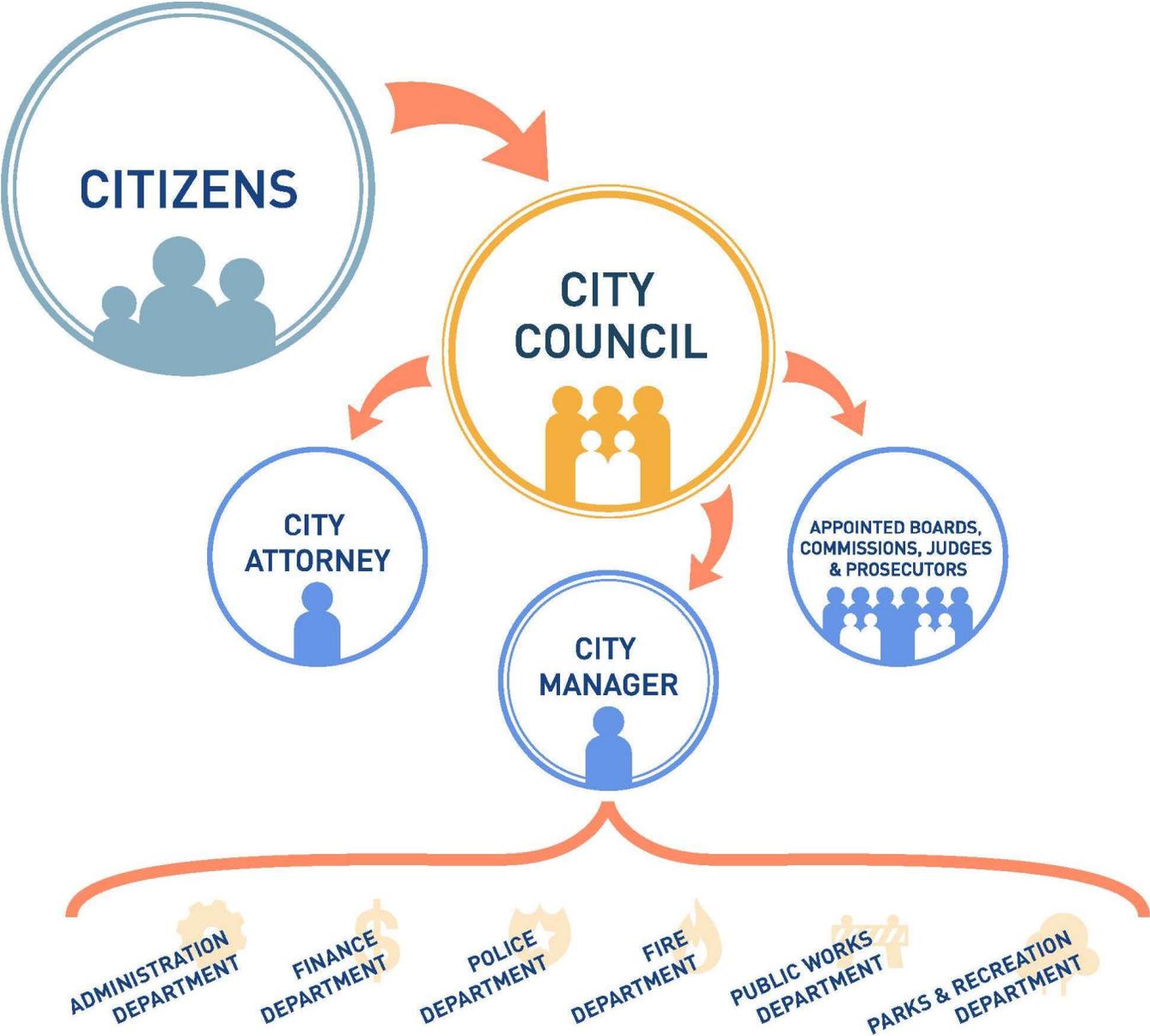
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those who were instrumental in the successful completion of this report. Additionally, we thank the Mayor, Council, and City Manager for their support and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Marie Kalka
Finance Director

City of West University Place, Texas
Organizational Chart
December 31, 2021



City of West University Place, Texas
Certificate of Achievement
for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West University Place
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of West University Place, Texas

Principal Officials
December 31, 2021

City Officials*	Term Expires	Elective Position
Susan Sample.....	05/2023	Mayor
John Montgomery	05/2023	Mayor Pro Tem
Melanie Bell	05/2023	Council Member
Shannon Carroll.....	05/2023	Council Member
John P. Barnes.....	05/2023	Council Member

* City Officials were each elected to a two-year term at the May 2021 election.

Key Staff	Position
David Beach	City Manager
Thelma Gilliam	City Secretary
James Urban	Human Resources Director
Scott Bounds, Olson & Olson.....	City Attorney
Marie Kalka.....	Finance Director
Robert Loper	Municipal Court Judge
Ken Walker.....	Police Chief
Jennifer Maxwell Drake.....	Fire Chief
Susan White	Parks and Recreation Director
Kevin Davenport	Information Technology Director
Gerardo Barrera	Public Works Director

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Financial Section

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Independent Auditor's Report

The Honorable Mayor
and Members of the City Council of the
City of West University Place, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the City), as of and for the year ended December 31, 2021, 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, as of December 31, 2021, 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 the 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 the City 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 (or when applicable, one year after the date that the financial statements are available to be issued).

The Honorable Mayor
and Members of the City Council of the
City of West University Place, Texas

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor
and Members of the City Council of the
City of West University Place, Texas

Supplementary 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 Combining and Individual Fund Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Combining and Individual Fund Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the Introductory and Statistical Sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2022 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 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

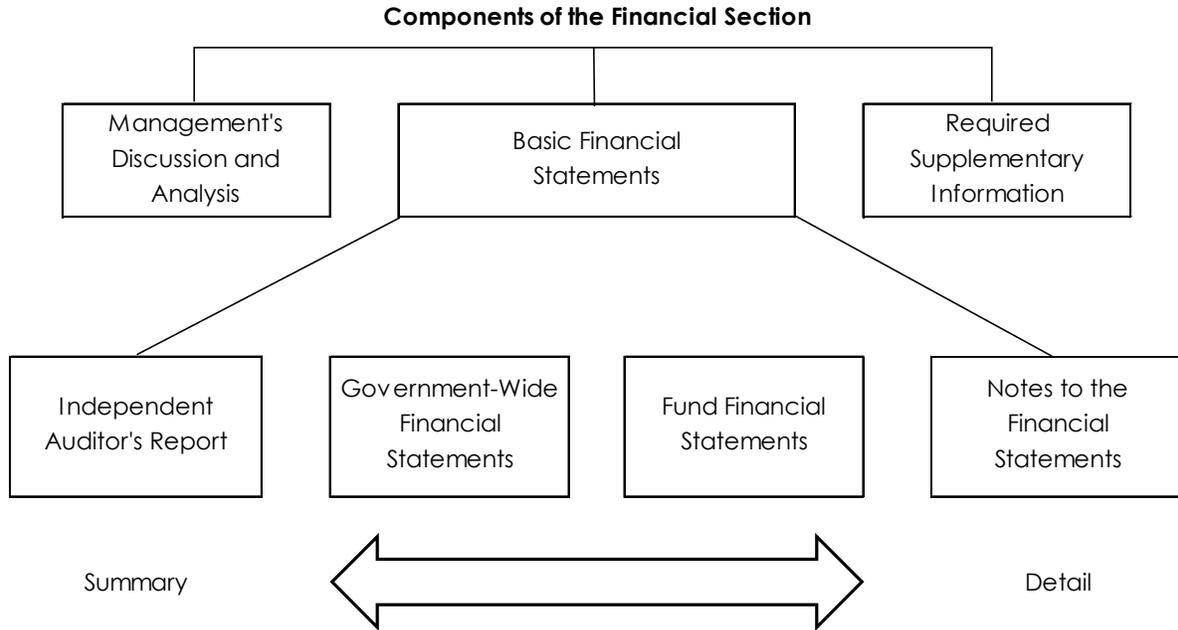
Houston, Texas
June 8, 2022

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Management's Discussion and Analysis

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of West University Place, Texas (the "City") for the year ending December 31, 2021. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's basic financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about costs of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows 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. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 - the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. **Governmental Activities** - Most of the City's basic services are reported here including general government (administration and finance), public safety (police and fire protection), public works (streets and drainage), and public services (leisure services and community development). Interest payments on the City's tax-supported debt are also reported here. Sales tax, property tax, franchise taxes, municipal court fines, and permit fees finance most of these activities.
2. **Business-Type Activities** - Services involving a fee for those services are reported here. These services include the City's water and sewer services and solid waste collection, as well as interest payments on debt issued for water and wastewater improvements.

The Friends of West University Parks Fund, although legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

Fund Financial Statements

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 10 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 fund, debt service fund, and capital projects fund, which are considered to be major funds for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two types of proprietary funds. 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, and solid waste operations. The proprietary fund financial statements provide separate information for the water and sewer and solid waste funds. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses internal service funds to account for its vehicle and asset replacement services and for expenses associated with health benefits, human resources expenses and technology management. These internal service funds have been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential 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 basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios for the Texas Municipal Retirement System (TMRS), schedule of contributions for TMRS, schedule of changes in total other postemployment liability and related ratios for the TMRS Supplemental Death Benefits Fund, and schedule of changes in total other postemployment liability and related ratios for the Retiree Health Care Plan. RSI can be found after the notes to the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$111,626,624 as of December 31, 2021. This compares with \$105,342,763 from the prior fiscal year. The largest portion of the City's net position, 77 percent, reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. 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.

Statement of Net Position

The following table reflects the condensed statement of net position:

City of West University Place, Texas's Combined Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 59,177,660	\$ 77,262,311	\$ 6,856,286	\$ 6,495,888	\$ 66,033,946	\$ 83,758,199
Capital assets	112,227,964	92,633,545	16,752,315	17,106,431	128,980,279	109,739,976
Total assets	171,405,624	169,895,856	23,608,601	23,602,319	195,014,225	193,498,175
Deferred charge on refunding	382,419	470,597	-	-	382,419	470,597
Deferred outflows - pensions	1,271,050	1,312,749	153,105	168,465	1,424,155	1,481,214
Deferred outflows - OPEB	484,241	337,831	59,416	43,355	543,657	381,186
Total deferred outflows of resources	2,137,710	2,121,177	212,521	211,820	2,350,231	2,332,997
Long-term liabilities outstanding	57,397,247	64,162,377	1,025,093	1,130,664	58,422,340	65,293,041
Other liabilities	4,853,849	2,019,966	599,131	593,570	5,452,980	2,613,536
Total liabilities	62,251,096	66,182,343	1,624,224	1,724,234	63,875,320	67,906,577
Property taxes	19,302,481	19,660,212	-	-	19,302,481	19,660,212
Deferred inflow - pensions	1,360,512	1,467,963	163,880	188,383	1,524,392	1,656,346
Deferred inflow - OPEB	924,085	1,121,369	111,554	143,905	1,035,639	1,265,274
Total deferred inflows of resources	21,587,078	22,249,544	275,434	332,288	21,862,512	22,581,832
Net position:						
Net investment in capital assets	69,342,273	69,584,489	16,752,315	17,106,431	86,094,588	86,690,920
Restricted	2,943,928	3,392,309	-	-	2,943,928	3,392,309
Unrestricted	17,418,959	10,608,348	5,169,149	4,651,186	22,588,108	15,259,534
Total net position	\$ 89,705,160	\$ 83,585,146	\$ 21,921,464	\$ 21,757,617	\$ 111,626,624	\$ 105,342,763

A portion of the City's net position, \$2,943,928 or three percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$22,588,108 or 20 percent, may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net position increased by \$6,283,861 during the current fiscal year, an increase of six percent in comparison to the prior year. This overall increase results from the operations of the current fiscal year.

Of the \$6,283,861 increase in net position resulting from the operations of the current fiscal year, an increase of \$6,120,014 is attributable to the governmental activities. This increase is comparable to the increase experienced during the prior fiscal year of \$8,924,814, and reflects a consistent trend of revenues in excess of expenses. Notable changes in the 2021 fiscal year include increases in public services and public works expenses due to operational impacts related to reopening after the COVID-19 shutdown. The increase of \$163,847 in business-type activities is the result of a decrease in solid waste expenditures.

As of December 31, 2021, the City reports a combined pension and OPEB liability of \$8,758,801, compared to \$9,000,323 as of December 31, 2020. The decrease in the combined liability is due primarily to investment income accumulated on pension plan fiduciary net position, which reduces the net pension liability. Further details can be found in the notes to the basic financial statements as well as the RSI following the notes.

Statement of Activities

The following table reflects the City's changes in net position:

City of West University Place, Texas's Change in Net Position

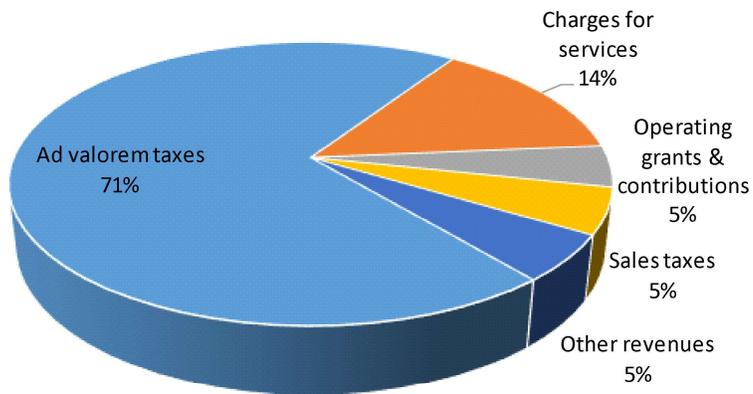
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 4,017,636	\$ 2,691,600	\$ 9,394,003	\$ 10,409,985	\$ 13,411,639	\$ 13,101,585
Operating grants and contributions	1,333,737	2,389,875	33,721	-	1,367,458	2,389,875
Capital grants and contributions	20,580	-	-	-	20,580	-
General revenues:						
Ad valorem taxes	19,791,677	20,131,628	-	-	19,791,677	20,131,628
Sales taxes	1,468,046	1,358,237	-	-	1,468,046	1,358,237
Franchise taxes	934,635	908,389	-	-	934,635	908,389
Other taxes	12,191	8,382	-	-	12,191	8,382
Investment earnings	25,700	217,543	2,435	22,265	28,135	239,808
Other revenues	499,646	405,857	10,133	741	509,779	406,598
Gain (Loss) on disposal of capital assets	25,051	23,394	-	-	25,051	23,394
Total revenues	28,128,899	28,134,905	9,440,292	10,432,991	37,569,191	38,567,896
Expenses:						
General government	4,158,747	3,604,254	-	-	4,158,747	3,604,254
Public safety	8,101,788	8,360,703	-	-	8,101,788	8,360,703
Public works	5,579,665	4,861,110	-	-	5,579,665	4,861,110
Public services	4,713,256	3,930,407	-	-	4,713,256	3,930,407
Interest and fees on debt	1,360,250	1,197,800	-	-	1,360,250	1,197,800
Water and sewer	-	-	6,125,137	6,069,372	6,125,137	6,069,372
Solid waste	-	-	1,246,487	1,356,541	1,246,487	1,356,541
Total expenses	23,913,706	21,954,274	7,371,624	7,425,913	31,285,330	29,380,187
Increase (decrease) in net position before transfers	4,215,193	6,180,631	2,068,668	3,007,078	6,283,861	9,187,709
Transfers	1,904,821	2,744,183	(1,904,821)	(2,744,183)	-	-
Change in net position	6,120,014	8,924,814	163,847	262,895	6,283,861	9,187,709
Net position - beginning	83,585,146	74,660,332	21,757,617	21,494,722	105,342,763	96,155,054
Net position - ending	\$ 89,705,160	\$ 83,585,146	\$ 21,921,464	\$ 21,757,617	\$ 111,626,624	\$ 105,342,763

As previously described, the operational and community impacts of COVID-19 resulted in increases in expenses related to reopening facilities. Total governmental revenues remained relatively flat.

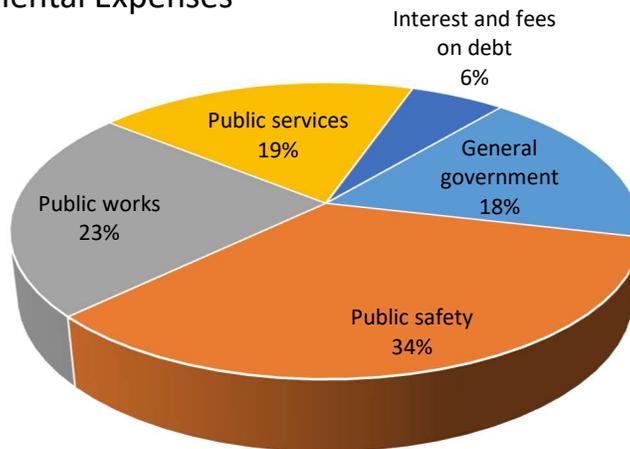
Charges for services for business-type activities decreased \$1,015,982, which is a decrease of ten percent. This decrease is due to a decrease in consumption. Operating expenses for business-type activities decreased by \$54,289. This decrease is primarily due to a decrease in personnel costs.

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

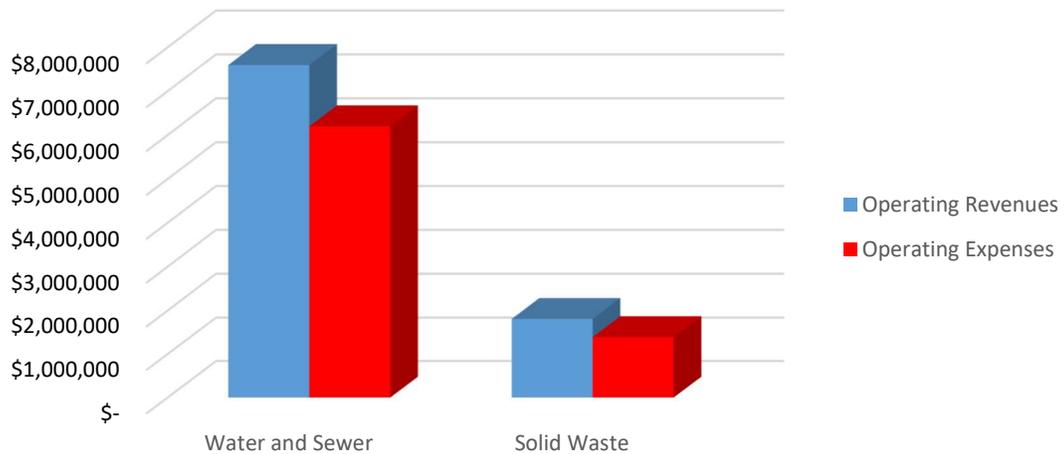
Governmental Revenues



Governmental Expenses



Business-Type Activities



Financial Analysis of 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 on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$26,631,628. Of this, \$339,645 is nonspendable, \$934,368 is restricted for debt service, \$5,700,190 is restricted to capital projects funds, \$79,335 is restricted for enabling legislation, \$1,151,731 is restricted for City parks, \$460,145 is restricted for METRO, \$338,901 is restricted for tree replacement, \$372,371 is restricted for governmental programming, and \$8,403,477 is assigned for capital projects and purchases on order.

There was a decrease in the combined fund balance of \$20,441,997 compared to the prior year. This is largely attributable to capital outlay in the capital projects fund.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$8,851,465, while total fund balance reached \$9,647,213. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 45 percent of total general fund expenditures, while total fund balance represents 49 percent of the total general fund expenditures. The general fund demonstrated an overall decrease of \$2,806,416 primarily due to transfers out to the capital projects fund to fund various City projects.

The debt service fund has a total fund balance of \$934,368, all of which is restricted for the payment of debt service. Expenditures exceeded revenues by \$1,015,013, with an overall net decrease in fund balance after other financing sources for the year of \$626,993. This decrease in fund balance is primarily due to scheduled debt service payments.

The capital projects fund has a total fund balance of \$14,019,935, of which \$5,700,190 is restricted and \$8,319,745 is assigned. Expenditures exceeded revenues by \$22,683,348, with an overall net decrease in fund balance after other financing sources for the year of \$17,308,348. This decrease in fund balance is primarily due to capital outlay.

Proprietary Funds

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

General Fund Budgetary Highlights

There had been a planned decrease in budgeted fund balance in the amount of \$265,942 in the general fund. Budget amendments throughout the year resulted in a decrease of \$5,294,665. However, fund balance decreased by \$2,806,416, resulting in a positive variance of \$2,488,249 from actual over budgeted as amended.

Actual general fund revenues were more than the amended budgeted revenues by \$662,865 during 2021. This net variance includes the positive variances of \$248,046 for sales taxes and \$222,902 for permits, licenses, and fees.

Actual expenditures were less than budgeted amounts in total by \$1,793,482 for the fiscal year. This net variance is due to positive variances of \$344,333 for general government, \$679,912 for public safety, \$174,804 for public works and \$594,433 for public services.

Capital Assets

At the end of fiscal year 2021, the City's governmental and business-type activities had invested \$112,227,964 and \$16,752,315, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$19,594,419 and decrease of \$354,116, respectively.

Major capital assets events during the year included the following:

- Easement for Buffalo Speedway for \$850,000
- Pierce-Customer Enforcer for \$747,617
- 80 Ton York Chiller for \$101,500
- Construction in progress for various City projects in the amount of \$21,846,435, which includes \$17M for the Buffalo Speedway project

More detailed information about the City's capital assets is presented in note 5 to the financial statements.

Long-Term Debt

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$43,535,000. Of this amount, \$15,035,000 was general obligation debt and \$28,500,000 was certificates of obligation debt. During the year, the City had a net decrease in long-term debt of \$6,747,548.

More detailed information about the City's long-term liabilities is presented in note 6 to the financial statements.

Current underlying ratings on debt issues are as follows:

	Standard and Poor's
General obligation bonds	AAA
Certificates of obligation	AAA

Economic Factors and Next Year's Budget

The City Council approved a \$70.45 million operating budget for fiscal year 2022. The budget includes a property tax rate of \$0.278522 per \$100 of valuation, which is a decrease from \$0.294066 per \$100 of valuation in 2021. The City's tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the Houston area economy.

The City has carefully monitored the performance of utility services and increased rates as needed for the water and sewer fund. As of January 2016, the water and sewer fund had no direct debt. General obligation refunding bonds were issued in 2010 and 2016 to refund all the outstanding revenue bonds for substantial interest rate savings. The adopted fiscal year 2022 budget did not increase or decrease the water rates from 2021, but did increase solid waste fees by 3%.

The strength and continued diversity of the Metro Houston market area has a positive impact on the City. There is almost no vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. For the immediate future, the rate of growth is expected to remain steady with reconstruction continuing to impact the value of property well into the future, as well as the recapture of value that has been capped at ten percent per year. The City continues to enjoy a stable outlook, with property values at \$7.2 billion. Among reasons for this strength are the City's convenient proximities to the Texas Medical Center, downtown Houston, the Rice Village, and Rice University, as well as the Galleria area. The City's low crime rate and hometown appeal have attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Marie Kalka, Finance Director, 3800 University Boulevard, West University Place, Texas, 77005; telephone 713.662.5816; or for general City information, visit the City's website at www.westutx.gov.

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Basic Financial Statements

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City of West University Place, Texas

Statement of Net Position

December 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 45,902,434	\$ 4,408,952	\$ 50,311,386
Investments	210,115	-	210,115
Receivables, net of allowances	11,872,284	1,501,646	13,373,930
Internal balances	(944,688)	944,688	-
Due from other governments	1,545,249	-	1,545,249
Inventory	16,503	-	16,503
Prepays	575,763	1,000	576,763
Capital assets:			
Nondepreciable capital assets	35,309,792	675,060	35,984,852
Depreciable capital assets, net	76,918,172	16,077,255	92,995,427
 Total assets	 171,405,624	 23,608,601	 195,014,225
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	382,419	-	382,419
Deferred outflows - pension	1,271,050	153,105	1,424,155
Deferred outflows - other postemployment benefits	484,241	59,416	543,657
 Total deferred outflows of resources	 2,137,710	 212,521	 2,350,231
LIABILITIES			
Accounts payable and accrued liabilities	2,284,505	599,131	2,883,636
Unearned revenue	1,938,252	-	1,938,252
Accrued interest payable	631,092	-	631,092
Noncurrent liabilities:			
Due within one year - bonds, certificates of obligation, compensated absences	5,861,277	77,857	5,939,134
Due in more than one year			
Bonds, certificates of obligation, compensated absences	43,722,988	1,417	43,724,405
Net pension liability	4,472,287	538,710	5,010,997
Other postemployment benefits liability	3,340,695	407,109	3,747,804
 Total liabilities	 62,251,096	 1,624,224	 63,875,320
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - property taxes	19,302,481	-	19,302,481
Deferred inflows - pension	1,360,512	163,880	1,524,392
Deferred inflows - other postemployment benefits	924,085	111,554	1,035,639
 Total deferred inflows of resources	 21,587,078	 275,434	 21,862,512
NET POSITION			
Net investment in capital assets	69,342,273	16,752,315	86,094,588
Restricted for:			
Debt service	541,445	-	541,445
Enabling legislation	79,335	-	79,335
City parks	1,151,731	-	1,151,731
METRO	460,145	-	460,145
Tree replacement	338,901	-	338,901
Governmental programming	372,371	-	372,371
Unrestricted	17,418,959	5,169,149	22,588,108
 TOTAL NET POSITION	 \$ 89,705,160	 \$ 21,921,464	 \$ 111,626,624

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

City of West University Place, Texas
Statement of Activities
For the Fiscal Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 4,158,747	\$ -	\$ 734,023	\$ -
Public safety	8,101,788	1,029,374	133,021	20,580
Public works	5,579,665	1,148,617	-	-
Public services	4,713,256	1,839,645	466,693	-
Interest on long-term debt	1,360,250	-	-	-
Total governmental activities	23,913,706	4,017,636	1,333,737	20,580
Business-type activities:				
Water and sewer	6,125,137	7,596,564	31,670	-
Solid waste	1,246,487	1,797,439	2,051	-
Total business-type activities	7,371,624	9,394,003	33,721	-
TOTAL PRIMARY GOVERNMENT	\$ 31,285,330	\$ 13,411,639	\$ 1,367,458	\$ 20,580

General revenues:

- Ad valorem taxes
- Sales taxes
- Franchise taxes
- Other taxes
- Investment earnings
- Other revenues
- Gain on disposal of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

NET POSITION - ENDING

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

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

Governmental Activities	Business-type Activities	Total
\$ (3,424,724)	\$ -	\$ (3,424,724)
(6,918,813)	-	(6,918,813)
(4,431,048)	-	(4,431,048)
(2,406,918)	-	(2,406,918)
(1,360,250)	-	(1,360,250)
(18,541,753)	-	(18,541,753)
-	1,503,097	1,503,097
-	553,003	553,003
-	2,056,100	2,056,100
(18,541,753)	2,056,100	(16,485,653)
19,791,677	-	19,791,677
1,468,046	-	1,468,046
934,635	-	934,635
12,191	-	12,191
25,700	2,435	28,135
499,646	10,133	509,779
25,051	-	25,051
1,904,821	(1,904,821)	-
24,661,767	(1,892,253)	22,769,514
6,120,014	163,847	6,283,861
83,585,146	21,757,617	105,342,763
<u>\$ 89,705,160</u>	<u>\$ 21,921,464</u>	<u>\$ 111,626,624</u>

City of West University Place, Texas

Balance Sheet - Governmental Funds

December 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 15,150,215	\$ 3,183,687	\$ 16,818,719	\$ 1,671,948	\$ 36,824,569
Investments	-	-	-	210,115	210,115
Receivables, net of allowances	8,333,755	3,390,120	-	148,286	11,872,161
Due from other governments	1,074,801	470,448	-	-	1,545,249
Inventory	16,503	-	-	-	16,503
Prepays	323,142	-	-	-	323,142
TOTAL ASSETS	<u>\$ 24,898,416</u>	<u>\$ 7,044,255</u>	<u>\$ 16,818,719</u>	<u>\$ 2,030,349</u>	<u>\$ 50,791,739</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,303,306	\$ -	\$ 867,912	\$ 237	\$ 2,171,455
Unearned revenue	7,380	-	1,930,872	-	1,938,252
Total liabilities	1,310,686	-	2,798,784	237	4,109,707
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	13,752,337	6,109,887	-	-	19,862,224
Unavailable revenue - warrants	142,922	-	-	-	142,922
Unavailable revenue - ambulance services	45,258	-	-	-	45,258
Total deferred inflows of resources	13,940,517	6,109,887	-	-	20,050,404
FUND BALANCES					
Nonspendable:					
Inventory	16,503	-	-	-	16,503
Prepays	323,142	-	-	-	323,142
Restricted for:					
Debt service	-	934,368	-	-	934,368
Capital projects funds	-	-	5,700,190	-	5,700,190
Enabling legislation	-	-	-	79,335	79,335
City parks	-	-	-	1,151,731	1,151,731
METRO	-	-	-	460,145	460,145
Tree replacement	-	-	-	338,901	338,901
Governmental programming	372,371	-	-	-	372,371
Assigned	83,732	-	8,319,745	-	8,403,477
Unassigned	8,851,465	-	-	-	8,851,465
Total fund balances	<u>9,647,213</u>	<u>934,368</u>	<u>14,019,935</u>	<u>2,030,112</u>	<u>26,631,628</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 24,898,416</u>	<u>\$ 7,044,255</u>	<u>\$ 16,818,719</u>	<u>\$ 2,030,349</u>	<u>\$ 50,791,739</u>

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

City of West University Place, Texas

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 26,631,628

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.

Capital assets, nondepreciable (excluding internal service)	\$ 35,309,792	
Capital assets, depreciable, net (excluding internal service)	74,237,800	109,547,592

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.

Property taxes	\$ 559,743	
Warrants	142,922	
Ambulance services	45,258	747,923

Internal service funds are used by management to charge certain costs to individual funds. A portion of the assets, deferred outflows, liabilities and deferred inflows of the internal service funds is included in the governmental activities in the statement of net position.

10,556,170

Long-term liabilities and related deferred outflows and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported as liabilities or deferrals in the governmental funds.

General obligation bonds and certificates of obligation	\$(43,535,000)	
Premiums on bonds and certificates of obligation	(4,565,388)	
Accrued interest on bonds and certificates of obligation	(631,092)	
Compensated absences	(1,450,702)	
Deferred charge on refunding	382,419	
Net pension liability	(4,274,809)	
Deferred outflows of resources - pension	1,214,926	
Deferred inflows of resources - pension	(1,300,437)	
Other postemployment benefits liability	(3,198,624)	
Deferred outflows of resources - other postemployment benefits	464,116	
Deferred inflows of resources - other postemployment benefits	(883,562)	(57,778,153)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 89,705,160

City of West University Place, Texas
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Ad valorem taxes	\$ 12,947,028	\$ 6,851,423	\$ -	\$ -	\$ 19,798,451
Sales taxes	1,468,046	-	-	-	1,468,046
Franchise taxes	934,635	-	-	-	934,635
Other taxes	12,191	-	-	-	12,191
Permits, licenses, and fees	829,652	-	-	45,838	875,490
Fines and forfeitures	113,748	-	-	13,488	127,236
Charges for services	3,035,641	-	-	-	3,035,641
Intergovernmental	132,898	-	-	734,023	866,921
Contributions	-	-	-	466,693	466,693
Investment earnings	6,742	902	9,655	1,958	19,257
Other revenues	499,612	-	-	34	499,646
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	19,980,193	6,852,325	9,655	1,262,034	28,104,207
EXPENDITURES					
Current:					
General government	3,784,049	-	-	1,254	3,785,303
Public safety	8,702,975	-	-	-	8,702,975
Public works	3,463,865	-	80,578	6,365	3,550,808
Public services	3,761,017	-	-	161,688	3,922,705
Capital outlay	1,905	-	22,612,425	217,967	22,832,297
Debt service:					
Principal	-	6,496,435	-	-	6,496,435
Interest and fiscal agent fees	-	1,364,103	-	-	1,364,103
Bond issuance costs	-	6,800	-	-	6,800
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	19,713,811	7,867,338	22,693,003	387,274	50,661,426
Excess (deficiency) of revenues over (under) expenditures	266,382	(1,015,013)	(22,683,348)	874,760	(22,557,219)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,727,202	388,020	5,375,000	224,717	7,714,939
Transfers out	(4,800,000)	-	-	(799,717)	(5,599,717)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(3,072,798)	388,020	5,375,000	(575,000)	2,115,222
Net change in fund balances	(2,806,416)	(626,993)	(17,308,348)	299,760	(20,441,997)
Fund balance, beginning of year	12,453,629	1,561,361	31,328,283	1,730,352	47,073,625
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, END OF YEAR	<u>\$ 9,647,213</u>	<u>\$ 934,368</u>	<u>\$ 14,019,935</u>	<u>\$ 2,030,112</u>	<u>\$ 26,631,628</u>

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

City of West University Place, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended December 31, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (20,441,997)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 22,384,656	
Depreciation expense	<u>(3,267,292)</u>	19,117,364

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (361,935)

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

Property taxes	\$ (6,774)	
Warrants	(20,951)	
Ambulance services	<u>220</u>	(27,505)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of 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 it is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments	\$ 6,490,000	
Amortization of bond premiums	257,548	
Amortization of deferred charges on refunding	(88,178)	
Change in accrued interest	(152,282)	
Compensated absences	<u>(127,795)</u>	6,379,293

The changes in net pension and other postemployment benefits liabilities and related deferred outflows and deferred inflows of resources are reported in the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net change consists of the following:

Change in net pension liability	\$ 485,041	
Change in deferred outflows of resources - pension	(51,809)	
Change in deferred inflows of resources - pension	116,071	
Change in other postemployment benefits liability	(261,390)	
Change in deferred outflows of resources - other postemployment benefits	138,126	
Change in deferred inflows of resources - other postemployment benefits	<u>198,501</u>	624,540

Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the net revenue of the internal service funds is reported with governmental activities.

830,254

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 6,120,014

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

City of West University Place, Texas
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Totals Enterprise Funds	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,761,551	\$ 647,401	\$ 4,408,952	\$ 9,077,865
Receivables, net of allowances	1,193,568	308,078	1,501,646	123
Prepays	1,000	-	1,000	252,621
Total current assets	4,956,119	955,479	5,911,598	9,330,609
Noncurrent assets				
Capital assets				
Land	193,875	-	193,875	-
Construction in progress	481,185	-	481,185	-
Buildings and improvements	459,625	-	459,625	-
Machinery and equipment	2,409,454	-	2,409,454	5,923,064
Water and sewer systems	58,920,920	-	58,920,920	-
Accumulated depreciation	(45,712,744)	-	(45,712,744)	(3,242,692)
Total capital assets (net of accumulated depreciation)	16,752,315	-	16,752,315	2,680,372
Total noncurrent assets	16,752,315	-	16,752,315	2,680,372
Total assets	21,708,434	955,479	22,663,913	12,010,981
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	106,986	46,119	153,105	56,124
Deferred outflows - other postemployment benefits	41,604	17,812	59,416	20,125
Total deferred outflows of resources	148,590	63,931	212,521	76,249
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	511,681	87,450	599,131	113,050
Compensated absences	52,787	25,070	77,857	33,175
Total current liabilities	564,468	112,520	676,988	146,225
Noncurrent liabilities				
Compensated absences	-	1,417	1,417	-
Net pension liability	376,439	162,271	538,710	197,478
Other postemployment benefits liability	284,850	122,259	407,109	142,071
Total noncurrent liabilities	661,289	285,947	947,236	339,549
Total liabilities	1,225,757	398,467	1,624,224	485,774
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	114,516	49,364	163,880	60,075
Deferred inflows - other postemployment benefits	77,970	33,584	111,554	40,523
Total deferred inflows of resources	192,486	82,948	275,434	100,598
NET POSITION				
Net investment in capital assets	16,752,315	-	16,752,315	2,680,372
Unrestricted	3,686,466	537,995	4,224,461	8,820,486
TOTAL NET POSITION	\$ 20,438,781	\$ 537,995	\$ 20,976,776	\$ 11,500,858
Reconciliation to the government-wide statement of net position:				
Adjustment to reflect internal service fund activities related to enterprise funds			944,688	
Net position of business-type activities			\$ 21,921,464	

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

City of West University Place, Texas
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Totals Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES				
Charges for sales and services	\$ 7,596,564	\$ 1,797,439	\$ 9,394,003	\$ 5,308,817
Other revenues	-	10,133	10,133	7,910
Total operating revenues	7,596,564	1,807,572	9,404,136	5,316,727
OPERATING EXPENSES				
Costs of sales and services	3,627,983	962,881	4,590,864	3,035,105
Personnel	930,229	426,904	1,357,133	604,226
Repairs and maintenance	-	-	-	19,320
Depreciation	1,639,690	-	1,639,690	453,555
Total operating expenses	6,197,902	1,389,785	7,587,687	4,112,206
Operating income	1,398,662	417,787	1,816,449	1,204,521
NONOPERATING REVENUES				
Intergovernmental	31,670	2,051	33,721	123
Investment earnings	2,141	294	2,435	6,443
Gain on sale of capital assets	-	-	-	25,051
Total nonoperating revenues	33,811	2,345	36,156	31,617
Income before transfers and capital contributions	1,432,473	420,132	1,852,605	1,236,138
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Capital contributions	-	-	-	20,580
Transfers in	43,199	-	43,199	427,366
Transfers out	(1,638,020)	(310,000)	(1,948,020)	(637,767)
Change in net position	(162,348)	110,132	(52,216)	1,046,317
Net position - beginning	20,601,129	427,863	21,028,992	10,454,541
NET POSITION, END OF YEAR	\$ 20,438,781	\$ 537,995	\$ 20,976,776	\$ 11,500,858
Reconciliation to the government-wide statement of activities:				
Adjustment to reflect internal service fund activities related to enterprise funds			216,063	
Change in net position for business-type activities			<u>\$ 163,847</u>	

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

City of West University Place, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Totals Enterprise Funds	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 7,648,202	\$ 1,812,575	\$ 9,460,777	\$ 7,910
Cash received from interfund charges for services	-	-	-	5,354,899
Cash payments to suppliers	(3,604,896)	(983,756)	(4,588,652)	(3,064,806)
Cash payments to employees	(1,056,335)	(463,924)	(1,520,259)	(534,509)
Net cash provided by operating activities	2,986,971	364,895	3,351,866	1,763,494
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	43,199	-	43,199	427,366
Transfers to other funds	(1,638,020)	(310,000)	(1,948,020)	(637,767)
Net cash used for noncapital financing activities	(1,594,821)	(310,000)	(1,904,821)	(210,401)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,285,574)	-	(1,285,574)	(449,520)
Proceeds from sale of capital assets	-	-	-	25,051
Net cash used for capital and related financing activities	(1,285,574)	-	(1,285,574)	(424,469)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	926,822	150,260	1,077,082	2,015,300
Earnings on investments	2,141	294	2,435	6,443
Net cash provided by investing activities	928,963	150,554	1,079,517	2,021,743
Net increase in cash and cash equivalents	1,035,539	205,449	1,240,988	3,150,367
Cash and cash equivalents, beginning balance	2,726,012	441,952	3,167,964	5,927,498
CASH AND CASH EQUIVALENTS, ENDING BALANCE	\$ 3,761,551	\$ 647,401	\$ 4,408,952	\$ 9,077,865
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 1,398,662	\$ 417,787	\$ 1,816,449	\$ 1,204,521
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation and amortization	1,639,690	-	1,639,690	453,555
Changes in assets, liabilities and related deferrals:				
(Increase) decrease in assets and deferred outflows:				
Receivables, net of allowances	54,859	5,003	59,862	-
Due from other funds	-	-	-	46,082
Prepays	(1,000)	-	(1,000)	71,574
Deferred outflows - net pension liability	11,549	3,811	15,360	(10,110)
Deferred outflows - other postemployment benefits	(11,099)	(4,962)	(16,061)	(8,284)
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	24,369	(18,808)	5,561	(80,796)
Due to other funds	(3,503)	(2,067)	(5,570)	(1,159)
Compensated absences	(26,276)	(1,471)	(27,747)	18,321
Net pension liability	(68,962)	(25,345)	(94,307)	24,577
Other postemployment benefits liability	9,999	6,484	16,483	35,376
Deferred inflows - net pension liability	(18,033)	(6,470)	(24,503)	8,620
Deferred inflows - other postemployment benefits	(23,284)	(9,067)	(32,351)	1,217
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,986,971	\$ 364,895	\$ 3,351,866	\$ 1,763,494
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 20,580

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

City of West University Place, Texas

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of West University Place, Texas (the "City") was incorporated in 1924. The City has operated under a "Home Rule Charter" since 1940, which provides for a Council-Manager form of government. A Mayor and four Council members are elected by voters of the City at large for two year terms.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services, municipal court, leisure services, streets, drainage, water and sewer services, solid waste collection and disposal, community development, and general administration.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. 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. The component unit listed below, although legally separate, is considered part of the reporting entity. No other 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 it 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.

Blended Component Unit

Friends of West University Parks Fund

Friends of West University Parks Fund (the "Corporation") has been included in the reporting entity as a blended component unit. The Corporation is a not-for-profit corporation created to solicit private contributions for the beautification, improvement, and maintenance of the City's parkland. The Corporation's Board of Directors is appointed by, and serves at the discretion of, the City Council. City Council approval is required for any projects of the Corporation that exceed \$50,000. In the event of dissolution, any assets of the Corporation will be transferred to the City. Funding of the Corporation is for the exclusive benefit of the City, and therefore the Corporation is included in the reporting entity on a "blended" basis, and the operations of the Corporation are presented as a governmental fund type. Separate financial statements of the Corporation may be obtained from the Finance Department of the City.

City of West University Place, Texas

Notes to the Financial Statements

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-wide Financial Statements

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and 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 City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its blended component unit. Separate statements for each fund category - governmental and proprietary - 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.

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported 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, public works, and public service. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are considered nonmajor funds for reporting purposes.

City of West University Place, Texas

Notes to the Financial Statements

The City reports the following enterprise funds:

The *enterprise funds* are used to account for and report the operations that provide water and wastewater collection, wastewater treatment operations, and solid waste collection and disposal. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The water and sewer and solid waste funds are considered major funds for reporting purposes.

Additionally, the City reports the following fund type:

Internal service funds account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The vehicle replacement and asset replacement funds are used to account for vehicle and asset replacement and maintenance services. The employee benefits fund accounts for costs associated with healthcare benefits. The human resources fund accounts for costs associated with non-insurance related human resources expenses. The technology management fund accounts for technology services.

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

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

E. 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 and proprietary fund 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.

City of West University Place, Texas

Notes to the Financial Statements

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures 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 capital leases are reported as other financing sources.

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 year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Property taxes, municipal court, ambulance services and all other revenue items are considered to be measurable and available only when cash is received by the City.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in local government investment pools, 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.

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

2. Investments

Investments, with certain exceptions, are reported at fair value. The exceptions are investments in external investment pools and nonparticipating interest earning contracts, such as certificates of deposit, which are reported at amortized cost or net asset value, and a cost-based measure, respectively.

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

- Direct obligations and other obligations of the U.S. government, its agencies and instrumentalities
- Obligations of the state of Texas
- Certificates of deposit that meet certain criteria
- Money market mutual funds that meet certain criteria
- Local government investment pools
- Interest bearing checking accounts that are fully collateralized at 102% of the ledger balance

City of West University Place, Texas

Notes to the Financial Statements

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, machinery and equipment, infrastructure (e.g. roads, bridges, sidewalks, and similar items), and water and sewer systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

Land and improvements and construction in progress are not depreciated. Buildings and improvements, machinery and equipment, infrastructure, and water and sewer systems of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Buildings	10 to 50 years
Improvements	5 to 50 years
Machinery and equipment	3 to 30 years
Water and sewer system	5 to 60 years
Infrastructure	50 years

5. Deferred Outflows/Inflows of Resources

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

In the government-wide and proprietary fund statements of net position:

- A deferred charge on refunding bonds 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.

City of West University Place, Texas

Notes to the Financial Statements

- Deferred outflows related to net pension and other postemployment benefit liabilities result from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs, and contributions made subsequent to the measurement date of each plan. The deferred outflows of resources related to City contributions subsequent to the measurement date will be recognized as a reduction of the liability in the next fiscal year. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension and OPEB plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period, and contributions made subsequent to the measurement date of each plan, which are recognized in the subsequent fiscal year.

In addition to liabilities, the statement of financial position (or balance sheet) 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 position (or fund balance) that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

In the governmental funds balance sheet:

- Unavailable revenues from property taxes, warrants, and ambulance services are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the government-wide and proprietary fund statements of net position:

- A deferred inflow of resources results from property taxes that were levied and/or collected in the current period for use in the subsequent period.
- Deferred inflows related to net pension and other postemployment benefit liabilities results from differences in projected and actual earnings on plan investments, expected and actual economic experience, changes in actuarial assumptions and other inputs. These activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan, except for projected and actual earnings differences on investments, which are amortized on a closed basis over a 5-year period.

6. **Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. The maximum amount of hours that can be carried from one year to the next is dependent on the number of years of service that the employee has with the City.

Length of Service (Months)	Maximum Vacation Leave Accrual		
	Full Time Employees	Shift Fire Department Personnel	3/4 time employees
1 - 48	160 hours	240 hours	120 hours
49 - 144	240 hours	360 hours	180 hours
145 - 240	320 hours	480 hours	240 hours
More than 240	400 hours	600 hours	225 hours

City of West University Place, Texas

Notes to the Financial Statements

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

The government-wide financial statements and proprietary fund type fund financial statements report long-term debt and other long-term liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premiums or discounts.

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

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be paid from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be paid from proprietary fund operations are accounted for in those funds.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund and a transfer of resources from the water and sewer fund for revenue bonds refunded through general obligation debt in a prior year. The debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Assets acquired under the terms of a capital lease 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, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable 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.

8. 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.

City of West University Place, Texas

Notes to the Financial Statements

9. Other Postemployment Benefits (OPEB)

The City offers two OPEB plans, a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund administered by TMRS and a single-employer defined benefit other postemployment benefits plan known as the Retiree Health Care Plan administered by the City. Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to total OPEB liability, and total OPEB expense have been determined on the same basis as they are reported by the plans. For this purpose, the plans recognize benefit payments when due and payable in accordance with the benefit terms.

10. Net Position Flow Assumption

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

11. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider 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.

12. 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 City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The City reports the following classifications of fund balance:

Nonspendable fund balance – includes amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted fund balance – includes amounts that have external constraints imposed upon the use of the resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by approval of a resolution prior to the end of the fiscal year, commit fund balance. Once approved, the limitation imposed by the resolution remains in place until a similar action is taken (the approval of another resolution) to remove or revise the limitation.

City of West University Place, Texas

Notes to the Financial Statements

Assigned fund balance – includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City Manager to assign fund balance to a specific purpose as approved by the City's fund balance policy. 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. Assigned fund balance in the General Fund represents encumbrances for purchases on order. Assigned fund balance in the capital projects fund is for future capital projects and purchases.

It is the City's policy to achieve and maintain an unassigned fund balance in the general fund equal to 20 percent of estimated expenditures for the current annual budget. The general fund is the only fund that reports a positive unassigned fund balance. All enterprise funds will maintain working capital equal to 10 percent of the estimated operating expenditures for the current annual budget. All internal service funds will maintain appropriate balances to support the operational needs of the respective fund. The fund balances will be reviewed during the annual budget process. Balances of less than the prescribed levels shall only be allowed with specific approval of City Council.

13. 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 deferred outflows and inflows of resources, and the 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.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service funds include the operating cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of West University Place, Texas

Notes to the Financial Statements

Note 2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except the capital projects funds, which adopt project length budgets. 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 charter, in the approved budget is the department level in the general fund and all others are the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended December 31, 2021. An annual budget is not adopted for the blended component unit, Friends of West University Parks Fund. The parks fund, tree replacement fund, court technology/security fund, and METRO fund are all special revenue funds that have adopted budgets.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. Encumbrances represent the estimated amount of expenditures ultimately to result when these outstanding items are completed. The encumbrances do not constitute expenditures or liabilities in the current period because the commitments will be reappropriated and honored during the subsequent year.

As of December 31, 2021, significant encumbrances included in the governmental funds include \$83,732 in the general fund, and \$1,068,913 in the capital projects fund for purchases on order.

Note 3. Deposits and Investments

As of December 31, 2021, the City had the following deposits and investments:

	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Deposits		
Cash	\$ 6,194,775	
Cash equivalents:		
TexPool external investment pool	26,211,150	0.10
Texas CLASS external investment pool	17,638,345	0.22
Other	<u>267,116</u>	
Total	<u><u>\$ 50,311,386</u></u>	
Investments		
Corporation's certificates of deposit	<u>\$ 210,115</u>	0.48
Total	<u><u>\$ 210,115</u></u>	
Portfolio weighted average maturity		0.15

City of West University Place, Texas

Notes to the Financial Statements

A. Deposits

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. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities, to the extent the deposits exceed FDIC coverage. As of December 31, 2021, the combined bank balances of the City, excluding the bank balances of the Corporation, exceeded the aggregate collateral and FDIC coverage by approximately \$1.4 million due to expiration of a pledged security on December 31, 2021. The City's collateral level was subsequently increased on the first business day of 2022 and the City has not experienced any losses with respect to custodial credit risk. The City's investment policy collateralization requirements have not been extended to the Corporation. The Corporation's bank balances exceeded FDIC coverage by \$169,635 at December 31, 2021.

Local Government Investment Pools

As of December 31, 2021, the City maintained balances in TexPool and Texas CLASS local government investment pools. The investment pool balances are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk.

TexPool policies require that local government deposits be used to purchase investments authorized by the PFIA. TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (the "Trust Company") to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government Agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. 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. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the City's investments in TexPool are stated at amortized cost, which approximates fair value.

Texas Cooperative Liquid Assets Securities System ("Texas CLASS"), is governed by a board of trustees, elected annually by its participants. Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the PFIA. The City reports its investment in Texas CLASS at net asset value (NAV), which is the same as the value of the pool shares.

The local government investment pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

B. Investments

The City's investments in the local government investment pools are measured at amortized cost or NAV and are included in cash equivalents, and its investments (through the Corporation) in certificates of deposit are measured based on cost.

City of West University Place, Texas

Notes to the Financial Statements

Interest rate risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The City structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations, and monitors interest rate risk using weighted average maturity analysis. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 365 days. The maximum allowable stated maturity of any individual investment owned by the City shall not exceed three years from the date of purchase, unless matched to a specific cash flow.

Credit Risk

The City's policy requires that investments are limited to only certain instruments that are authorized by the Public Funds Investment Act. Further specifications are that external investment pools must be rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service and certificates of deposit are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized under an approved pledge agreement.

As of December 31, 2021, the City's investments in local government investment pools were rated "AAAm" by Standard & Poor's. The certificates of deposit are unrated.

Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's investment policy limits investments by security type and institution. With the exception of U.S. Treasury securities, government-sponsored enterprises (GSE's), interest-bearing checking accounts that are fully collateralized, and authorized local government pools, the City will diversify the entire portfolio to comply with the investment strategy. In no case shall any single investment transaction be more than twenty five-percent of the entire portfolio at the time of purchase of the security.

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 custody of securities is maintained 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.

Note 4. Receivables

Amounts are aggregated into a single accounts receivable (net of allowances for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the debt service fund, the capital projects fund, the nonmajor governmental funds in the aggregate, and the enterprise funds, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Nonmajor Governmental	Water and Sewer	Solid Waste	Internal Service Fund	Total
Ad valorem taxes	\$ 7,531,236	\$ 3,390,120	\$ -	\$ -	\$ -	\$ -	\$ 10,921,356
Other taxes	384,037	-	-	-	-	-	384,037
Accounts	2,244,011	-	-	1,184,483	312,130	-	3,740,624
Intergovernmental	106,599	-	148,286	31,670	2,051	123	288,729
Other	6,804	-	-	-	-	-	6,804
Less: Allowance	(1,938,932)	-	-	(22,585)	(6,103)	-	(1,967,620)
Totals	\$ 8,333,755	\$ 3,390,120	\$ 148,286	\$ 1,193,568	\$ 308,078	\$ 123	\$ 13,373,930

City of West University Place, Texas

Notes to the Financial Statements

Note 5. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended December 31, 2021:

	Beginning Balance	Increases	Reclassifications / (Decreases)	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 8,330,302	\$ 850,000	\$ -	\$ 9,180,302
Construction in progress	4,947,579	21,390,411	(208,500)	26,129,490
Total capital assets, not being depreciated	13,277,881	22,240,411	(208,500)	35,309,792
Depreciable assets:				
Buildings and improvements	60,184,640	-	(186,001)	59,998,639
Machinery and equipment	9,751,847	1,294,448	(1,506,307)	9,539,988
Infrastructure	66,633,784	142,342	(111,215)	66,664,911
Total depreciable assets	136,570,271	1,436,790	(1,803,523)	136,203,538
Less accumulated depreciation for:				
Buildings and improvements	(23,390,907)	(1,829,972)	116,397	(25,104,482)
Machinery and equipment	(7,518,438)	(558,199)	1,495,632	(6,581,005)
Infrastructure	(26,305,262)	(1,332,676)	38,059	(27,599,879)
Total accumulated depreciation	(57,214,607)	(3,720,847)	1,650,088	(59,285,366)
Total depreciable assets, net	79,355,664	(2,284,057)	(153,435)	76,918,172
Governmental activities capital assets, net	\$ 92,633,545	\$ 19,956,354	\$ (361,935)	\$ 112,227,964

All capital assets constructed or paid for with funds of the component unit are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
General government	\$ 449,316
Public safety	20,017
Public works	1,965,366
Public service	832,593
Capital assets held by the City's internal service fund	453,555
Total governmental activities depreciation expense	\$ 3,720,847

City of West University Place, Texas

Notes to the Financial Statements

Remaining commitments under related construction contracts for general government construction projects at year end were as follows:

Projects	Approved Construction Budget	Stored and Completed To Date	Remaining Commitment
Buffalo Speedway - Roadway	\$ 1,758,080	\$ 1,697,672	\$ 60,408
Buffalo Speedway - Improvement	1,497,966	1,264,057	233,909
Buffalo Speedway - Drainage	1,246,348	1,124,711	121,637
Facility Master Plan	42,000	-	42,000
HVAC Replacement Program	170,030	-	170,030
Pavement Condition Assessment	74,000	44,174	29,826
Edloe Street Pathway	34,000	3,028	30,972
Virtual Gate Project - Phase I	545,417	456,815	88,602
Virtual Gate Project - Phase II	3,745,027	3,676,178	68,849
Total	\$ 9,112,868	\$ 8,266,635	\$ 846,233

The remaining commitments above will be primarily financed through completion of construction with the resources of the capital projects funds, supplemented by the general fund and issuance of debt, as needed, as well as funding by grant proceeds.

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2021:

	Beginning Balance	Increases	Reclassifications / (Decreases)	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 193,875	\$ -	\$ -	\$ 193,875
Construction in progress	317,203	456,024	(292,042)	481,185
Total capital assets, not being depreciated	511,078	456,024	(292,042)	675,060
Depreciable assets:				
Buildings and improvements	459,625	-	-	459,625
Water and sewer systems	58,174,929	744,210	1,781	58,920,920
Machinery and equipment	2,422,476	191,095	(204,117)	2,409,454
Total depreciable assets	61,057,030	935,305	(202,336)	61,789,999
Less accumulated depreciation for:				
Buildings and improvements	(459,625)	-	-	(459,625)
Water and sewer systems	(42,528,283)	(1,481,187)	-	(44,009,470)
Machinery and equipment	(1,473,769)	(158,503)	388,623	(1,243,649)
Total accumulated depreciation	(44,461,677)	(1,639,690)	388,623	(45,712,744)
Total depreciable assets, net	16,595,353	(704,385)	186,287	16,077,255
Business-type activities capital assets, net	\$ 17,106,431	\$ (248,361)	\$ (105,755)	\$ 16,752,315

Depreciation expense was charged to business-type functions as follows:

Water and sewer	<u>\$ 1,639,690</u>
Total business-type activities depreciation expense	<u>\$ 1,639,690</u>

City of West University Place, Texas

Notes to the Financial Statements

Remaining commitments under related construction contracts for business-type construction projects at year end were as follows:

Projects	Approved Construction Budget	Stored and Completed To Date	Remaining Commitment
Waterline Replacement Program	\$ 49,570	\$ 39,679	\$ 9,891
Water Pumping and Storage Study	28,780	27,593	1,187
Wakeforest Tank Repairs	29,727	-	29,727
Law St Waterline Installation	49,470	21,081	28,389
Total	\$ 157,547	\$ 88,353	\$ 69,194

The remaining commitments above will be primarily financed through completion of construction with the resources of water and sewer fees collected by the City.

Note 6. Long-term Liabilities

The following is a summary of changes in the City's total long-term liabilities for the year ended December 31, 2021. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds, notes and other payables:					
General obligation bonds	\$21,185,000	\$ -	\$ 6,150,000	\$15,035,000	\$ 3,070,000
Certificates of obligation	28,840,000	-	340,000	28,500,000	1,815,000
Unamortized premiums and/or discounts	4,822,936	-	257,548	4,565,388	238,434
Total bonds, notes and other payables, net	54,847,936	-	6,747,548	48,100,388	5,123,434
Other liabilities:					
Compensated absences	1,337,761	417,713	271,597	1,483,877	737,843
Net pension liability	4,932,751	4,671,481	5,131,945	4,472,287	-
Other postemployment benefit liability	3,043,929	446,366	149,600	3,340,695	-
Total governmental activities	\$64,162,377	\$ 5,535,560	\$12,300,690	\$57,397,247	\$ 5,861,277
Business-type activities:					
Compensated absences	\$ 107,021	\$ -	\$ 27,747	\$ 79,274	\$ 77,857
Net pension liability	633,017	523,862	618,169	538,710	-
Other postemployment benefit liability	390,626	34,503	18,020	407,109	-
Total business-type activities	\$ 1,130,664	\$ 558,365	\$ 663,936	\$ 1,025,093	\$ 77,857

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. The governmental activities compensated absences, OPEB liability, and net pension liability are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of West University Place, Texas

Notes to the Financial Statements

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

Description	Interest Rates	Balance
Governmental activities:		
General obligation bonds		
General obligation refunding		
Series 2016	1.45 %	\$ 365,000
Series 2017	2.01 %	6,605,000
Series 2020	2.00 - 4.00 %	8,065,000
		<u>15,035,000</u>
Total general obligation bonds		
Certificates of obligation		
Series 2011	2.00 - 2.25 %	490,000
Series 2019	3.00 - 4.00 %	3,940,000
Series 2020	3.00 - 5.00 %	24,070,000
		<u>28,500,000</u>
Total certificates of obligation		
		<u>28,500,000</u>
Total governmental activities long-term debt		<u>\$ 43,535,000</u>

The annual requirements to amortize general obligation bonds and certificates of obligation outstanding at year end were as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 4,885,000	\$ 1,411,629	\$ 6,296,629
2023	2,825,000	1,274,254	4,099,254
2024	2,435,000	1,187,639	3,622,639
2025	2,500,000	1,123,988	3,623,988
2026	2,560,000	1,060,860	3,620,860
2027 - 2031	8,385,000	4,346,258	12,731,258
2032 - 2036	5,060,000	3,185,275	8,245,275
2037 - 2041	4,440,000	2,472,775	6,912,775
2042 - 2046	5,340,000	1,572,000	6,912,000
2047 - 2050	5,105,000	418,700	5,523,700
	<u>\$ 43,535,000</u>	<u>\$ 18,053,378</u>	<u>\$ 61,588,378</u>
Totals	<u>\$ 43,535,000</u>	<u>\$ 18,053,378</u>	<u>\$ 61,588,378</u>

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities (streets, drainage, public safety, water, and wastewater) and equipment for general government and enterprise fund activities. As of December 31, 2021, outstanding instruments include general obligation bonds and certificates of obligation. These obligations are secured by the proceeds of future ad valorem tax revenues levied on all taxable property located within the City and a limited subordinate lien on, and pledge of, net water and sewer system revenues. The City is not obligated in any manner for special assessment debt.

City of West University Place, Texas

Notes to the Financial Statements

Defeased Bonds

In prior years, the City defeased certain outstanding bonds by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the defeased liabilities are not included in the City's financial statements. As of December 31, 2021, there were no outstanding balances of defeased bonds.

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, a substantial liability to the City could result. The City has estimated that it does not have any arbitrage liability as of December 31, 2021.

Note 7. Interfund Balances and Activity

1. Interfund Transfers

Transfers between funds during the year were as follows:

Transfers Out	Transfers In	Amounts
General	Capital projects	\$ 4,800,000
Nonmajor	Capital projects	575,000
Nonmajor	Nonmajor	652,083
Nonmajor	General	167,202
Nonmajor	Water and sewer	43,199
Water and sewer	Debt service	388,020
Water and sewer	General	1,250,000
Solid waste	General	310,000
Totals		\$ 8,185,504

Transfers to the general fund were subsidies for administrative expenditures. Other amounts transferred between funds related to amounts collected by the nonmajor governmental funds for various governmental expenditures. Transfers to the debt service fund are used to provide resources to assist with debt service principal and interest payments when they become due as well as issuance costs. Transfers to the capital projects fund were to fund various City projects.

Note 8. Leases

The City is the lessor under the following lease agreements, which are noncancelable by the lessee and characterized as operating leases: 1) Lease of approximately 1.0874 acres of City land to Goode Cook, Inc. The lease expires March 31, 2023; however, at any time after July 31, 2016, the City may terminate the lease by giving the lessee a minimum of nine months' written notice. 2) Lease of approximately 10,000 square feet of property to SER Construction Partners, LLC. The lease expires January 11, 2023; however, the City may terminate the lease by giving the lessee a minimum of 30 days' written notice.

City of West University Place, Texas

Notes to the Financial Statements

Minimum rental payments are fixed under each of the lease agreements, with rates adjusted annually. Minimum guaranteed rental income on the noncancelable operating leases is as follows:

<u>Year Ending December 31,</u>	<u>Annual Base Rent</u>
2022	\$ 125,640
2023	<u>22,140</u>
Total	<u>\$ 147,780</u>

Additionally the City is the lessor in various leases for land and buildings which are cancelable by the lessee under specific terms. Future rental income on such leases is as follows (subject to lease termination):

<u>Year Ending December 31,</u>	<u>Annual Base Rent</u>
2022	\$ 55,300
2023	37,361
2024	38,295
2025	39,253
2026	40,234
Thereafter	<u>193,729</u>
Total	<u>\$ 404,172</u>

Note 9. 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 2,826 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). 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 that 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 that 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. No claim liabilities are reported at year end.

City of West University Place, Texas

Notes to the Financial Statements

Note 10. Defined Benefit Pension Plan

Plan Description

The City participates in one of 895 plans in the defined benefit cash-balance 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 that can be obtained at www.tmr.com.

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

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the 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.

The plan provisions adopted by the City were as follows:

Employee deposit rate	7.00%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	Any/20, 60/5
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	0% of CPI Repeating
Supplemental death benefit - active employees and retirees	Yes

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	116
Inactive employees entitled to but not yet receiving benefits	118
Active employees	127
Total	361

City of West University Place, Texas

Notes to the Financial Statements

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 City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.89% and 12.83% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended December 31, 2021, were \$1,330,970, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
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 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.

City of West University Place, Texas

Notes to the Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuarial approach 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 for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return (Arithmetic)</u>
Global equity	30.0%	5.30%
Core fixed income	10.0%	1.25%
Non-core fixed income	20.0%	4.14%
Real return	10.0%	3.85%
Real estate	10.0%	4.00%
Absolute return	10.0%	3.48%
Private equity	10.0%	7.75%
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.

City of West University Place, Texas

Notes to the Financial Statements

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2019	\$ 54,456,278	\$ 48,890,510	\$ 5,565,768
Changes for the year:			
Service cost	1,538,407	-	1,538,407
Interest	3,631,987	-	3,631,987
Difference between expected and actual experience	(60,607)	-	(60,607)
Changes of assumptions	-	-	-
Contributions - employer	-	1,284,328	(1,284,328)
Contributions - employee	-	697,464	(697,464)
Net investment income	-	3,707,716	(3,707,716)
Benefit payments, including refunds of employee contributions	(2,836,544)	(2,836,544)	-
Administrative expense	-	(24,014)	24,014
Other changes	-	(936)	936
Net changes	<u>2,273,243</u>	<u>2,828,014</u>	<u>(554,771)</u>
Balance at December 31, 2020	<u><u>\$ 56,729,521</u></u>	<u><u>\$ 51,718,524</u></u>	<u><u>\$ 5,010,997</u></u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	\$ 12,638,217	\$ 5,010,997	\$ (1,295,317)

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.

City of West University Place, Texas

Notes to the Financial Statements

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

For the year ended December 31, 2021, the City recognized pension expense of \$701,303.

At December 31, 2021, 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
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 4,885	\$ 131,412
Changes in actuarial assumptions	88,300	-
Difference between projected and actual investment earnings	-	1,392,980
Contributions subsequent to the measurement date	<u>1,330,970</u>	<u>-</u>
Totals	<u><u>\$ 1,424,155</u></u>	<u><u>\$ 1,524,392</u></u>

\$1,330,970 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
<u> </u>	
2022	\$ (540,015)
2023	29,319
2024	(838,988)
2025	<u>(81,523)</u>
Totals	<u><u>\$ (1,431,207)</u></u>

Note 11. Other Postemployment Benefits Plans

In addition to the pension plan discussed in Note 10, the City offers other postemployment benefits (OPEBs) through two plans: Texas Municipal Retirement System's Supplemental Death Benefits Fund, and the City's single-employer Retiree Health Care Plan.

City of West University Place, Texas

Notes to the Financial Statements

Plan Descriptions

Supplemental Death Benefits Fund

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

Retiree Health Care Plan

The City administers a single-employer defined benefit other postemployment benefits plan, known as the Retiree Health Care Plan (the RHCP). The RHCP offers medical benefits to eligible retirees and their spouses. The RHCP has no plan assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The City's total OPEB liability (TOL) for each of its OPEB plans was measured as of December 31, 2020. The actuarial valuation dates for the Supplemental Death Benefits Fund and Retiree Health Care OPEB plans were December 31, 2020 and December 31, 2019, respectively.

Benefits Provided and Contributions

Membership in the plans as of the measurement date of December 31, 2020 was as follows:

	<u>SDBF</u>	<u>RHCP</u>
Inactive employees currently receiving benefits	78	16
Inactive employees entitled to but not yet receiving benefits	41	-
Active employees	<u>127</u>	<u>37</u>
Totals	<u><u>246</u></u>	<u><u>53</u></u>

Supplemental Death Benefits Fund

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

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

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

City of West University Place, Texas

Notes to the Financial Statements

The retiree portion of contribution rates to the SDBF for the City were 0.04% and 0.14% in calendar years 2020 and 2021, respectively. The City's contributions to the SDBF for the year ended December 31, 2021 were \$14,523, and were equal to the required contributions.

Retiree Health Care Plan

Employees Hired January 1, 2009 and Thereafter:

A retiree and his or her covered dependent(s) may be eligible for continued coverage through COBRA according to regulatory requirements. Retirees may not add dependents after retiring. Retirees are responsible for all costs, including premiums and administrative fees, associated with COBRA benefits. Retiree/Dependent COBRA benefits will be terminated if the City (or the City's Third Party Administrator) does not receive the required contributions by the date due.

Employees Hired Prior to January 1, 2009:

Non-exempt Employees – If you retire through TMRS and have been employed full-time for the City for at least ten years immediately preceding the date of the retirement, you may continue coverage with the City's health plan.

Exempt Employees – If you retire through TMRS and have minimum of ten years of service credit with TMRS of which five years immediately preceding the date of retirement were with the City, you may continue to be covered through the City's health plan. The benefit includes basic medical coverage, excluding accidental death, life, disability and dental.

The City provides a subsidy to the retiree that varies based on the medical plan elected. Spouse and dependents are eligible for continued coverage. Retirees are responsible for all costs associated with spouse and dependent benefits, including premiums. Surviving spouses of deceased retirees are eligible for continued coverage through COBRA according to regulatory requirements. All benefits terminate when retiree becomes eligible for Medicare or other federal or state health insurance plans or if retiree becomes employed, including self-employment.

Employees who retire under a disability retirement are eligible for retiree health benefits if they have met the eligibility for a regular retirement upon their disability. TMRS retirement requirement: 5 years of service at age 60; or 20 years of service regardless of age.

Actuarial Assumptions

The total OPEB liabilities were determined using the following actuarial assumptions and other inputs.

Inflation	2.5% per year
Salary increases	3.5% to 11.5% including inflation
Discount rate	2.00% - based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions were developed primarily from an actuarial experience study of the four-year period from December 31, 2014 through December 31, 2018.

The retiree's share of benefit-related costs for the SDBF OPEB is assumed to be \$0, and the healthcare trend cost rate for the RHCP actuarial valuation is assumed at an initial rate of 7.00%, declining to an ultimate rate of 4.15% after 13 years.

City of West University Place, Texas

Notes to the Financial Statements

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 Entry Age Normal actuarial cost method is used.

The OPEB plans are treated as unfunded plans because 1) the SDBF trust covers both actives and retirees and the assets are not segregated for these groups, and 2) the RHCP plan is a pay-as-you go plan.

Changes in Total OPEB Liability

	Total OPEB Liability	
	SDBF	RHCP
Balance at December 31, 2019	\$ 562,233	\$2,872,322
Changes for the year:		
Service cost	19,928	107,506
Interest on total OPEB liability	15,681	78,390
Difference between expected and actual experience	(12,592)	360
Changes of assumptions or other inputs	92,960	166,046
Benefit payments	(3,986)	(151,044)
Net changes	111,991	201,258
Balance at December 31, 2020	\$ 674,224	\$3,073,580

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

The following presents the City's total OPEB liabilities calculated using the discount rate of 2.00%, as well as what the liabilities would be if they were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate.

	1% Decrease in Discount Rate (1.00%)		Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)	
Total OPEB liability					
SDBF	\$ 832,657		\$ 674,224		\$ 554,300
RHCP	3,304,173		3,073,580		2,853,665

City of West University Place, Texas

Notes to the Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

In addition, the following disclosure is applicable to the RHCP only. The following presents the total OPEB liability, calculated using the current healthcare rates, as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current trend rate:

	1% Decrease Healthcare Cost Trend Rate (6.0 % Decreasing to 3.15 %)	Healthcare Cost Trend Rate (7.0 % Decreasing to 4.15 %)	1% Increase Healthcare Cost Trend Rate (8.0 % Decreasing to 5.15 %)
Total OPEB liability RHCP	\$ 2,734,360	\$ 3,073,580	\$ 3,465,051

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$66,923 for SDBF and \$14,490 for RHCP.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SDBF		RHCP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 20,082	\$ 303	\$ 919,083
Changes in assumptions and other inputs	141,261	14,674	242,264	81,800
Contributions made subsequent to the measurement date	14,523	-	145,306	-
Totals	\$ 155,784	\$ 34,756	\$ 387,873	\$ 1,000,883

The \$14,523 and \$145,306 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date for the SDBF and RHCP, respectively, will reduce the total OPEB liability during the year ending December 31, 2022. The other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	SDBF	RHCP
2022	\$ 31,314	\$ (171,406)
2023	26,423	(171,406)
2024	30,950	(171,406)
2025	17,818	(196,313)
2026	-	(55,305)
Thereafter	-	7,520
Totals	\$ 106,505	\$ (758,316)

City of West University Place, Texas

Notes to the Financial Statements

Combined Totals for OPEB Plans

The combined totals for the two OPEB plans are as follows:

	<u>SDBF</u>	<u>RHCP</u>	<u>Total</u>
OPEB liability	\$ (674,224)	\$ (3,073,580)	\$ (3,747,804)
Deferred inflows	(34,756)	(1,000,883)	(1,035,639)
Deferred outflows	155,784	387,873	543,657
OPEB expense (benefit)	66,923	14,490	81,413

Required Supplementary Information

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City of West University Place, Texas
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance – Budget and Actual
 General Fund
 For the Fiscal Year Ended December 31, 2021

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Taxes:				
Ad valorem taxes	\$ 12,925,878	\$ 12,925,878	\$ 12,947,028	\$ 21,150
Sales taxes	1,220,000	1,220,000	1,468,046	248,046
Franchise taxes	993,000	993,000	934,635	(58,365)
Other taxes	8,000	8,000	12,191	4,191
Permits, licenses, and fees	606,750	606,750	829,652	222,902
Fines and forfeitures	135,400	135,400	113,748	(21,652)
Charges for services	2,872,100	2,872,100	3,035,641	163,541
Intergovernmental	2,500	2,500	132,898	130,398
Investment earnings	83,900	83,900	6,742	(77,158)
Other revenues	469,800	469,800	499,612	29,812
Total revenues	19,317,328	19,317,328	19,980,193	662,865
EXPENDITURES				
General government:				
Administration	1,725,970	1,773,982	1,553,773	220,209
Finance	2,134,400	2,354,400	2,230,276	124,124
Total general government:	3,860,370	4,128,382	3,784,049	344,333
Public safety:				
Police	5,531,200	5,532,887	4,980,948	551,939
Fire	3,850,000	3,850,000	3,722,027	127,973
Total public safety:	9,381,200	9,382,887	8,702,975	679,912
Public works	3,621,050	3,640,574	3,465,770	174,804
Public services	4,115,950	4,355,450	3,761,017	594,433
Total expenditures	20,978,570	21,507,293	19,713,811	1,793,482
Excess (deficiency) of revenues over expenditures	(1,661,242)	(2,189,965)	266,382	2,456,347
OTHER FINANCING SOURCES (USES)				
Transfers in	1,695,300	1,695,300	1,727,202	31,902
Transfers out	(300,000)	(4,800,000)	(4,800,000)	-
Total other financing sources (uses)	1,395,300	(3,104,700)	(3,072,798)	31,902
Net change in fund balance	(265,942)	(5,294,665)	(2,806,416)	2,488,249
Fund balance, beginning of year	12,453,629	12,453,629	12,453,629	-
FUND BALANCE, END OF YEAR	\$ 12,187,687	\$ 7,158,964	\$ 9,647,213	\$ 2,488,249

See Notes to Required Supplementary Information.

City of West University Place, Texas
 Schedule of Changes in the Net Pension Liability
 and Related Ratios -
 Texas Municipal Retirement System
 For the Fiscal Year Ended December 31, 2021*

	Measurement Year		
	2020	2019	2018
TOTAL PENSION LIABILITY			
Service cost	\$ 1,538,407	\$ 1,521,864	\$ 1,476,922
Interest	3,631,987	3,486,036	3,341,122
Differences between expected and actual experience	(60,607)	(199,694)	27,091
Changes of assumptions	-	197,990	-
Benefit payments, including refunds of employee contributions	(2,836,544)	(2,867,942)	(2,573,516)
Net change in total pension liability	2,273,243	2,138,254	2,271,619
Total pension liability - beginning	54,456,278	52,318,024	50,046,405
TOTAL PENSION LIABILITY - ENDING (a)	\$ 56,729,521	\$ 54,456,278	\$ 52,318,024
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 1,284,328	\$ 1,248,609	\$ 1,280,159
Contributions - employee	697,464	680,706	660,639
Net investment income	3,707,716	6,673,742	(1,353,511)
Benefit payments, including refunds of employee contributions	(2,836,544)	(2,867,942)	(2,573,516)
Administrative expense	(24,014)	(37,732)	(26,172)
Other	(936)	(1,135)	(1,367)
Net change in plan fiduciary net position	2,828,014	5,696,248	(2,013,768)
Plan fiduciary net position - beginning	48,890,510	43,194,262	45,208,030
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 51,718,524	\$ 48,890,510	\$ 43,194,262
NET PENSION LIABILITY - ENDING (a)-(b)	\$ 5,010,997	\$ 5,565,768	\$ 9,123,762
Plan fiduciary net position as a percentage of total pension liability	91.17%	89.78%	82.56%
Covered payroll	\$ 9,963,775	\$ 9,724,372	\$ 9,437,204
Net pension liability as a percentage of covered payroll	50.29%	57.24%	96.68%

* GASB Statement No. 68 requires 10 years of data; however, seven years of data is presented as the data for the years prior to 2014 is not available. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

Measurement Year				
2017	2016	2015	2014	
\$ 1,517,363	\$ 1,441,040	\$ 1,417,162	\$ 1,163,400	
3,188,261	3,051,656	2,907,623	2,744,057	
198,868	(154,304)	485,089	440,869	
-	-	946,917	-	
(2,665,812)	(2,039,745)	(2,153,197)	(2,123,925)	
2,238,680	2,298,647	3,603,594	2,224,401	
47,807,725	45,509,078	41,905,484	39,681,083	
<u>\$ 50,046,405</u>	<u>\$ 47,807,725</u>	<u>\$ 45,509,078</u>	<u>\$ 41,905,484</u>	
\$ 1,261,304	\$ 1,139,861	\$ 1,046,460	\$ 799,153	
651,628	621,904	614,567	550,058	
5,596,814	2,575,734	56,952	2,131,607	
(2,665,812)	(2,039,745)	(2,153,197)	(2,123,925)	
(29,014)	(29,101)	(34,692)	(22,258)	
(1,470)	(1,568)	(1,713)	(1,830)	
4,813,450	2,267,085	(471,623)	1,332,805	
40,394,580	38,127,495	38,599,118	37,266,313	
<u>\$ 45,208,030</u>	<u>\$ 40,394,580</u>	<u>\$ 38,127,495</u>	<u>\$ 38,599,118</u>	
<u>\$ 4,838,375</u>	<u>\$ 7,413,145</u>	<u>\$ 7,381,583</u>	<u>\$ 3,306,366</u>	
90.33%	84.49%	83.78%	92.11%	
\$ 9,268,285	\$ 8,884,334	\$ 8,767,969	\$ 7,803,300	
52.20%	83.44%	84.19%	42.37%	

City of West University Place, Texas
 Schedule of the City's Contributions -
 Texas Municipal Retirement System
 For the Fiscal Year Ended December 31, 2021*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,330,970	\$ 1,284,330	\$ 1,248,609	\$ 1,280,642
Contributions in relation to the actuarially determined contribution	<u>(1,330,970)</u>	<u>(1,284,330)</u>	<u>(1,248,609)</u>	<u>(1,280,642)</u>
CONTRIBUTIONS DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,373,887	\$ 9,963,775	\$ 9,724,372	\$ 9,438,496
Contributions as a percentage of covered payroll	12.83%	12.89%	12.84%	13.57%

* GASB Statement No. 68 requires 10 years of data; however, eight years of data is presented as the data for the years prior to 2014 is not available. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the period covered as of the reporting date (the City's fiscal year).

2017	2016	2015	2014
\$ 1,255,853	\$ 1,139,862	\$ 1,045,142	\$ 799,153
<u>(1,255,853)</u>	<u>(1,139,862)</u>	<u>(1,045,142)</u>	<u>(799,153)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,268,285	\$ 8,884,334	\$ 8,767,969	\$ 7,803,300
13.55%	12.83%	11.92%	10.24%

City of West University Place, Texas

Schedule of Changes in Total OPEB

Liability and Related Ratios

Texas Municipal Retirement System – Supplemental Death Benefits Fund

For the Fiscal Year Ended December 31, 2021*

	Measurement Year			
	2020	2019	2018	2017
TOTAL OPEB LIABILITY				
Service cost	\$ 19,928	\$ 15,559	\$ 16,043	\$ 13,963
Interest on total OPEB liability	15,681	16,672	15,703	15,533
Difference between expected and actual experience	(12,592)	(3,638)	(18,010)	-
Changes of assumptions	92,960	94,469	(33,730)	37,637
Benefit payments	(3,986)	(4,862)	(4,719)	(4,654)
Net change in total OPEB liability	111,991	118,200	(24,713)	62,479
Total OPEB liability - beginning	562,233	444,033	468,746	406,267
TOTAL OPEB LIABILITY - ENDING	\$ 674,224	\$ 562,233	\$ 444,033	\$ 468,746
Covered-employee payroll	\$ 9,963,775	\$ 9,724,372	\$ 9,437,204	\$ 9,268,285
Total OPEB liability as a percentage of covered-employee payroll	6.77%	5.78%	4.71%	5.06%

* GASB Statement No. 75 requires 10 years of data; however, four years of data is presented as the data for the years prior to 2017 is not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

City of West University Place, Texas
 Schedule of Changes in Total OPEB
 Liability and Related Ratios
 Retiree Health Care Plan
 For the Fiscal Year Ended December 31, 2021*

	Measurement Year			
	2020	2019	2018	2017
TOTAL OPEB LIABILITY				
Service cost	\$ 107,506	\$ 81,434	\$ 108,738	\$ 97,428
Interest on total OPEB liability	78,390	150,456	137,266	148,390
Difference between expected and actual experience	360	(1,329,582)	(8,500)	-
Changes of assumptions	166,046	36,423	(142,721)	180,101
Benefit payments	(151,044)	(162,223)	(183,211)	(175,442)
Net change in total OPEB liability	201,258	(1,223,492)	(88,428)	250,477
Total OPEB liability - beginning	2,872,322	4,095,814	4,184,242	3,933,765
TOTAL OPEB LIABILITY - ENDING	\$ 3,073,580	\$ 2,872,322	\$ 4,095,814	\$ 4,184,242
Covered-employee payroll	\$ 3,615,974	\$ 3,404,781	\$ 4,355,388	\$ 4,661,508
Total OPEB liability as a percentage of covered-employee payroll	85.00%	84.36%	94.04%	89.76%

* GASB Statement No. 75 requires 10 years of data; however, four years of data is presented as the data for the years prior to 2017 is not available. Additionally, GASB Statement No. 75 requires that information on this schedule correspond with the period covered as of the plan measurement date (December 31 of the prior year).

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City of West University Place, Texas
 Notes to Required Supplementary Information

Note 1. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2. Pension

Schedule of Changes in the Net Pension Liability and Related Ratios – Texas Municipal Retirement System

The following actuarial assumptions affect trends in the amounts reported for the total pension liability:

Measurement Date:	December 31, 2019 - December 31, 2020	December 31, 2015 - December 31, 2018	December 31, 2014
Inflation	2.50%	2.50%	3.00%
Overall payroll growth	2.75%	3.00%	3.00%
Investment rate of return (net of pension plan investment expense, including inflation)	6.75%	6.75%	7.00%
Discount rate	6.75%	6.75%	7.00%

City of West University Place, Texas
Notes to Required Supplementary Information

Schedule of the City's Contributions - Texas Municipal Retirement System

The following methods and assumptions were used to determine contribution rates:

Fiscal Years:	December 31, 2020 - December 31, 2021	December 31, 2016 - December 31, 2019	December 31, 2014 - December 31, 2015
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	26 years as of December 31, 2020 and 25 years as of December 31, 2021	30 years as of December 31, 2016; declining annually to 27 years as of December 31, 2019	30 years
Asset valuation method	10 year smoothed market, 12% soft corridor	10 year smoothed market, 15% soft corridor	10 year smoothed market, 15% soft corridor
Inflation	2.50%	2.50%	3.00%
Salary increases	3.5% to 11.5%, including inflation	3.5% to 10.5%, including inflation	3.5% to 12%, including inflation
Investment rate of return	6.75%	6.75%	7.00%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.	RP2000 Combined Mortality Table with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.	RP2000 Combined Mortality Table with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information

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

There were no benefit changes during the periods presented.

City of West University Place, Texas
Notes to Required Supplementary Information

Note 3. Other Postemployment Benefits

The following actuarial assumptions affect trends in the amounts reported for the total other postemployment benefits liabilities:

Measurement Date:	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Salary increases	3.5% to 11.5%	3.5% to 11.5%	3.5% to 10.5%	3.5% to 10.5%
Discount rate	2.00%	2.75%	3.71%	3.31%
RHCP only:				
Healthcare cost trend rate	7.0%, decreasing to 4.15%	7.0%, decreasing to 4.15%	7.5%, decreasing to 5.25%	7.5%, decreasing to 5.25%

Other Information

The City's OPEB plans are considered to be unfunded plans, as there are no assets accumulated in a trust to pay related benefits. Therefore plan fiduciary net position and related ratios are not reported in the accompanying schedules for the City's OPEB plans.

There were no benefit changes during the periods presented.

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Combining and Individual Fund Statements and Schedules

City of West University Place, Texas
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Debt Service Fund
 For the Fiscal Year Ended December 31, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 6,854,604	\$ 6,854,604	\$ 6,851,423	\$ (3,181)
Investment earnings	7,500	7,500	902	(6,598)
Total revenues	6,862,104	6,862,104	6,852,325	(9,779)
EXPENDITURES				
Debt service:				
Principal	6,490,000	6,496,435	6,496,435	-
Interest	683,374	1,363,903	1,364,103	(200)
Bond issuance costs and fiscal agent fees	7,000	7,000	6,800	200
Total expenditures	7,180,374	7,867,338	7,867,338	-
Excess (deficiency) of revenues over expenditures	(318,270)	(1,005,234)	(1,015,013)	(9,779)
OTHER FINANCING SOURCES (USES)				
Transfers in	388,020	388,020	388,020	-
Total other financing sources (uses)	388,020	388,020	388,020	-
Net change in fund balance	69,750	(617,214)	(626,993)	(9,779)
Fund balance, beginning of year	1,561,361	1,561,361	1,561,361	-
FUND BALANCE, END OF YEAR	\$ 1,631,111	\$ 944,147	\$ 934,368	\$ (9,779)

City of West University Place, Texas

Nonmajor Governmental Funds

December 31, 2021

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **Parks Fund** is used to account for donations made by citizens for the specific purpose of improving the City's parks.

The **Friends of the Parks Fund** is used to account for the financial activity of the Friends of West University Parks. This fund's revenues are restricted to use in improving the City's parks.

The **Tree Replacement Fund** is used to account for permits and fines collected to replace trees within the City.

The **Tuancy Prevention Fund** is used to account for a portion of traffic fines set aside for expenditures related to the position of juvenile case manager.

The **Municipal Jury Fund** is used to account for a portion of traffic fines set aside for juror reimbursements and otherwise finance jury services.

The **Court Technology/Security Fund** is used to account for a portion of traffic fines revenue set aside to acquire technology and provide security for the municipal court.

The **METRO Fund** is used to account for the proceeds of a multi-year transportation grant from METRO.

City of West University Place, Texas

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Truancy Prevention Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 94,954	\$ 846,899	\$ 338,901	\$ 6,841
Investments	-	210,115	-	-
Receivables, net of allowances	-	-	-	-
Total assets	\$ 94,954	\$ 1,057,014	\$ 338,901	\$ 6,841
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 237	\$ -	\$ -	\$ -
Total liabilities	237	-	-	-
Fund balances:				
Restricted for:				
Enabling legislation	-	-	-	6,841
City parks	94,717	1,057,014	-	-
METRO	-	-	-	-
Tree replacement	-	-	338,901	-
Total fund balances	94,717	1,057,014	338,901	6,841
TOTAL LIABILITIES AND FUND BALANCES	\$ 94,954	\$ 1,057,014	\$ 338,901	\$ 6,841

Special Revenue Funds

Municipal Jury Fund	Court Technology/ Security	METRO	Total Nonmajor Governmental Funds
\$ 139	\$ 72,355	\$ 311,859	\$ 1,671,948
-	-	-	210,115
-	-	148,286	148,286
<u>\$ 139</u>	<u>\$ 72,355</u>	<u>\$ 460,145</u>	<u>\$ 2,030,349</u>
\$ -	\$ -	\$ -	\$ 237
-	-	-	237
139	72,355	-	79,335
-	-	-	1,151,731
-	-	460,145	460,145
-	-	-	338,901
<u>139</u>	<u>72,355</u>	<u>460,145</u>	<u>2,030,112</u>
<u>\$ 139</u>	<u>\$ 72,355</u>	<u>\$ 460,145</u>	<u>\$ 2,030,349</u>

City of West University Place, Texas

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended December 31, 2021

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Truancy Prevention Fund
REVENUES				
Permits, licenses, and fees	\$ -	\$ -	\$ 45,838	\$ -
Fines and forfeitures	-	-	-	4,450
Intergovernmental	-	-	-	-
Contributions	53,820	412,873	-	-
Investment earnings	271	1,275	207	2
Other revenues	-	34	-	-
Total revenues	54,091	414,182	46,045	4,452
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	-	6,365	-
Public services	30,120	131,568	-	-
Capital outlay	217,967	-	-	-
Total expenditures	248,087	131,568	6,365	-
Excess (deficiency) of revenues over (under) expenditures	(193,996)	282,614	39,680	4,452
OTHER FINANCING SOURCES (USES)				
Transfers in	224,717	-	-	-
Transfers out	-	(224,717)	-	-
Total other financing sources (uses)	224,717	(224,717)	-	-
Net change in fund balances	30,721	57,897	39,680	4,452
Fund balances, beginning of year	63,996	999,117	299,221	2,389
FUND BALANCE, END OF YEAR	\$ 94,717	\$ 1,057,014	\$ 338,901	\$ 6,841

Special Revenue Funds				Total Nonmajor Governmental Funds
Municipal Jury Fund	Court Technology/ Security	METRO		
\$ -	\$ -	\$ -	\$ 45,838	
91	8,947	-	13,488	
-	-	734,023	734,023	
-	-	-	466,693	
-	44	159	1,958	
-	-	-	34	
91	8,991	734,182	1,262,034	
-	1,254	-	1,254	
-	-	-	6,365	
-	-	-	161,688	
-	-	-	217,967	
-	1,254	-	387,274	
91	7,737	734,182	874,760	
-	-	-	224,717	
-	-	(575,000)	(799,717)	
-	-	(575,000)	(575,000)	
91	7,737	159,182	299,760	
48	64,618	300,963	1,730,352	
<u>\$ 139</u>	<u>\$ 72,355</u>	<u>\$ 460,145</u>	<u>\$ 2,030,112</u>	

City of West University Place, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds – Parks Fund
For the Fiscal Year Ended December 31, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Contributions	\$ 40,500	\$ 40,620	\$ 53,820	\$ 13,200
Investment earnings	300	300	271	(29)
Other revenues	250,000	250,000	224,717 *	(25,283)
Total revenues	290,800	290,920	278,808	(12,112)
EXPENDITURES				
Current:				
Public services	30,000	30,120	30,120	-
Capital outlay	250,000	253,100	217,967	35,133
Total expenditures	280,000	283,220	248,087	35,133
Net change in fund balance	10,800	7,700	30,721	23,021
Fund balance, beginning of year	63,996	63,996	63,996	-
FUND BALANCE, END OF YEAR	\$ 74,796	\$ 71,696	\$ 94,717	\$ 23,021

* Budget is prepared on a basis consistent with GAAP with the exception of GAAP-basis transfers which are reported as other revenues for budgetary purposes.

City of West University Place, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Funds – Tree Replacement Fund

For the Fiscal Year Ended December 31, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Permits, licenses, and fees	\$ 30,000	\$ 30,000	\$ 45,838	\$ 15,838
Investment earnings	1,700	1,700	207	(1,493)
Total revenues	31,700	31,700	46,045	14,345
EXPENDITURES				
Current:				
Public works	50,000	50,000	6,365	43,635
Total expenditures	50,000	50,000	6,365	43,635
Net change in fund balance	(18,300)	(18,300)	39,680	57,980
Fund balance, beginning of year	299,221	299,221	299,221	-
FUND BALANCE, END OF YEAR	\$ 280,921	\$ 280,921	\$ 338,901	\$ 57,980

City of West University Place, Texas

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Nonmajor Special Revenue Funds – Court Technology/Security Fund

For the Fiscal Year Ended December 31, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 8,947	\$ (53)
Investment earnings	300	300	44	(256)
Total revenues	9,300	9,300	8,991	(309)
EXPENDITURES				
Current:				
General government	17,000	17,000	1,254	15,746
Total expenditures	17,000	17,000	1,254	15,746
Net change in fund balance	(7,700)	(7,700)	7,737	15,437
Fund balance, beginning of year	64,618	64,618	64,618	-
FUND BALANCE, END OF YEAR	\$ 56,918	\$ 56,918	\$ 72,355	\$ 15,437

City of West University Place, Texas

Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Nonmajor Special Revenue Funds – METRO Fund
For the Fiscal Year Ended December 31, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 610,000	\$ 610,000	\$ 734,023	\$ 124,023
Investment earnings	100	100	159	59
Total revenues	610,100	610,100	734,182	124,082
OTHER FINANCING SOURCES (USES)				
Transfers out	(575,000)	(575,000)	(575,000)	-
Total other financing sources (uses)	(575,000)	(575,000)	(575,000)	-
Net change in fund balance	35,100	35,100	159,182	124,082
Fund balance, beginning of year	300,963	300,963	300,963	-
FUND BALANCE, END OF YEAR	\$ 336,063	\$ 336,063	\$ 460,145	\$ 124,082

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City of West University Place, Texas

Internal Service Funds

December 31, 2021

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City and to other governmental units, on a cost reimbursement basis.

The **Vehicle Replacement Fund** is used to account for and report vehicle replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

The **Asset Replacement Fund** is used to account for and report asset replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

The **Employee Benefits Fund** is used to account for and report the costs associated with healthcare benefits to departments or agencies of the City on a cost reimbursement basis.

The **Human Resource Services Fund** is used to account for and report costs associated with non-insurance related human resources expenses to departments or agencies of the City on a cost reimbursement basis.

The **Technology Management Fund** is used to account for and report the costs associated with technology management services to departments or agencies of the City on a cost reimbursement basis.

City of West University Place, Texas
Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	Vehicle Replacement Fund	Asset Replacement Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,157,988	\$ 3,521,080
Receivables, net of allowances	-	-
Prepays	-	-
	<hr/>	<hr/>
Total current assets	3,157,988	3,521,080
Noncurrent assets:		
Capital assets:		
Machinery and equipment	4,279,709	1,177,329
Less: accumulated depreciation	(2,578,052)	(346,289)
	<hr/>	<hr/>
Total capital assets (net of accumulated depreciation)	1,701,657	831,040
Total noncurrent assets	<hr/>	<hr/>
	1,701,657	831,040
Total assets	<hr/>	<hr/>
	4,859,645	4,352,120
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension	-	-
Deferred outflows - other postemployment benefits	-	-
	<hr/>	<hr/>
Total deferred outflows of resources	-	-
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	74,828	-
Compensated absences	-	-
	<hr/>	<hr/>
Total current liabilities	74,828	-
Noncurrent liabilities:		
Net pension liability	-	-
Other postemployment benefits liability	-	-
	<hr/>	<hr/>
Total noncurrent liabilities	-	-
Total liabilities	<hr/>	<hr/>
	74,828	-
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension	-	-
Deferred inflows - other postemployment benefits	-	-
	<hr/>	<hr/>
Total deferred inflows of resources	-	-
NET POSITION		
Net investment in capital assets	1,701,657	831,040
Unrestricted	3,083,160	3,521,080
	<hr/>	<hr/>
TOTAL NET POSITION	<hr/>	<hr/>
	\$ 4,784,817	\$ 4,352,120

Employee Benefits Fund	Human Resource Services Fund	Technology Management Fund	Total Internal Service Funds
\$ 1,238,488	\$ 489,761	\$ 670,548	\$ 9,077,865
-	-	123	123
-	-	252,621	252,621
1,238,488	489,761	923,292	9,330,609
-	-	466,026	5,923,064
-	-	(318,351)	(3,242,692)
-	-	147,675	2,680,372
-	-	147,675	2,680,372
1,238,488	489,761	1,070,967	12,010,981
-	-	56,124	56,124
-	-	20,125	20,125
-	-	76,249	76,249
489	9,537	28,196	113,050
-	-	33,175	33,175
489	9,537	61,371	146,225
-	-	197,478	197,478
-	-	142,071	142,071
-	-	339,549	339,549
489	9,537	400,920	485,774
-	-	60,075	60,075
-	-	40,523	40,523
-	-	100,598	100,598
-	-	147,675	2,680,372
1,237,999	480,224	498,023	8,820,486
\$ 1,237,999	\$ 480,224	\$ 645,698	\$ 11,500,858

City of West University Place, Texas
Combining Statement of Revenues, Expenses,
and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2021

	Vehicle Replacement Fund	Asset Replacement Fund
OPERATING REVENUES		
Charges for sales and services	\$ 651,000	\$ 652,900
Other revenues	-	-
Total operating revenues	651,000	652,900
OPERATING EXPENSES		
Costs of sales and services	-	-
Personnel	-	-
Repairs and maintenance	-	12,100
Depreciation	293,666	104,387
Total operating expenses	293,666	116,487
Operating income (loss)	357,334	536,413
NONOPERATING REVENUES		
Intergovernmental	-	-
Investment earnings	2,459	2,456
Gain on sale of capital assets	25,051	-
Total nonoperating revenues	27,510	2,456
Income before transfers and capital contributions	384,844	538,869
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Capital contributions	-	20,580
Transfers in	-	-
Transfers out	-	-
Change in net position	384,844	559,449
Net position - beginning	4,399,973	3,792,671
NET POSITION, END OF YEAR	\$ 4,784,817	\$ 4,352,120

Employee Benefits Fund	Human Resource Services Fund	Technology Management Fund	Total Internal Service Funds
\$ 1,806,917 7,910	\$ 252,000 -	\$ 1,946,000 -	\$ 5,308,817 7,910
1,814,827	252,000	1,946,000	5,316,727
1,868,558	70,220	1,096,327	3,035,105
-	-	604,226	604,226
-	-	7,220	19,320
-	-	55,502	453,555
1,868,558	70,220	1,763,275	4,112,206
(53,731)	181,780	182,725	1,204,521
-	-	123	123
996	145	387	6,443
-	-	-	25,051
996	145	510	31,617
(52,735)	181,925	183,235	1,236,138
-	-	-	20,580
-	427,366	-	427,366
(427,366)	(210,401)	-	(637,767)
(480,101)	398,890	183,235	1,046,317
1,718,100	81,334	462,463	10,454,541
<u>\$ 1,237,999</u>	<u>\$ 480,224</u>	<u>\$ 645,698</u>	<u>\$ 11,500,858</u>

City of West University Place, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021

	Vehicle Replacement Fund	Asset Replacement Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	\$ -	\$ -
Cash received from interfund charges for services	651,000	652,900
Cash payments to suppliers		(49,462)
Cash payments to employees	-	-
	<hr/>	<hr/>
Net cash provided by operating activities	651,000	603,438
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	-
Transfers to other funds	-	-
	<hr/>	<hr/>
Net cash provided by (used for) noncapital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(112,563)	(223,601)
Proceeds from sale of capital assets	25,051	-
	<hr/>	<hr/>
Net cash used for capital and related financing activities	(87,512)	(223,601)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	657,670	796,394
Interest on investments	2,459	2,456
	<hr/>	<hr/>
Net cash provided by investing activities	660,129	798,850
Net increase in cash and cash equivalents	1,223,617	1,178,687
Cash and cash equivalents, beginning balance	1,934,371	2,342,393
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, ENDING BALANCE	\$ 3,157,988	\$ 3,521,080
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 357,334	\$ 536,413
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation and amortization	293,666	104,387
Changes in assets, liabilities and related deferrals:		
(Increase) decrease in assets and deferred outflows:		
Due from other funds	-	-
Prepays	-	-
Deferred outflows - pension	-	-
Deferred outflows - other postemployment benefits	-	-
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable and accrued liabilities	-	(37,362)
Due to other funds	-	-
Compensated absences	-	-
Net pension liability	-	-
Other postemployment benefits liability	-	-
Deferred inflows - pension	-	-
Deferred inflows - other postemployment benefits	-	-
	<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 651,000	\$ 603,438
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions of capital assets	\$ -	\$ 20,580

Employee Benefits Fund	Human Resource Services Fund	Technology Management Fund	Total Internal Service Funds
\$ 7,910	\$ -	\$ -	\$ 7,910
1,852,999	252,000	1,946,000	5,354,899
(1,810,695)	(74,072)	(1,130,577)	(3,064,806)
-	-	(534,509)	(534,509)
50,214	177,928	280,914	1,763,494
-	427,366	-	427,366
(427,366)	(210,401)	-	(637,767)
(427,366)	216,965	-	(210,401)
-	-	(113,356)	(449,520)
-	-	-	25,051
-	-	(113,356)	(424,469)
409,678	24,034	127,524	2,015,300
996	145	387	6,443
410,674	24,179	127,911	2,021,743
33,522	419,072	295,469	3,150,367
1,204,966	70,689	375,079	5,927,498
\$ 1,238,488	\$ 489,761	\$ 670,548	\$ 9,077,865
\$ (53,731)	\$ 181,780	\$ 182,725	\$ 1,204,521
-	-	55,502	453,555
46,082	-	-	46,082
73,767	-	(2,193)	71,574
-	-	(10,110)	(10,110)
-	-	(8,284)	(8,284)
(15,904)	(3,852)	(23,678)	(80,796)
-	-	(1,159)	(1,159)
-	-	18,321	18,321
-	-	24,577	24,577
-	-	35,376	35,376
-	-	8,620	8,620
-	-	1,217	1,217
\$ 50,214	\$ 177,928	\$ 280,914	\$ 1,763,494
\$ -	\$ -	\$ -	\$ 20,580

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Statistical Section

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Statistical Section (Unaudited)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

	<u>Page</u>
Financial Trends – Schedules 1-4	104
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity – Schedules 5-9	114
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity – Schedules 10-14	124
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information – Schedules 15-16	134
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information – Schedules 17-19	137
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

City of West University Place, Texas

Net Position by Component

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 69,342,273	\$ 69,584,489	\$ 57,517,577	\$ 54,149,042
Restricted	2,943,928	3,392,309	2,997,088	2,869,031
Unrestricted	17,418,959	10,608,348	14,145,667	9,048,261
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 89,705,160</u>	<u>\$ 83,585,146</u>	<u>\$ 74,660,332</u>	<u>\$ 66,066,334</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 16,752,315	\$ 17,106,431	\$ 17,377,397	\$ 18,646,517
Restricted	-	-	-	-
Unrestricted	5,169,149	4,651,186	4,117,325	3,262,797
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 21,921,464</u>	<u>\$ 21,757,617</u>	<u>\$ 21,494,722</u>	<u>\$ 21,909,314</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 86,094,588	\$ 86,690,920	\$ 74,894,974	\$ 72,795,559
Restricted	2,943,928	3,392,309	2,997,088	2,869,031
Unrestricted	22,588,108	15,259,534	18,262,992	12,311,058
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 111,626,624</u>	<u>\$ 105,342,763</u>	<u>\$ 96,155,054</u>	<u>\$ 87,975,648</u>

*Restated balances

Schedule 1

<u>2017*</u>	<u>2016</u>	<u>2015*</u>	<u>2014*</u>	<u>2013</u>	<u>2012*</u>
\$ 48,398,572	\$ 42,663,233	\$ 41,205,468	\$ 38,347,094	\$ 34,881,486	\$ 31,464,253
3,030,359	2,543,238	2,246,833	1,580,648	2,197,619	2,260,764
<u>6,074,327</u>	<u>7,093,032</u>	<u>6,835,390</u>	<u>4,384,210</u>	<u>2,782,110</u>	<u>1,987,281</u>
<u>\$ 57,503,258</u>	<u>\$ 52,299,503</u>	<u>\$ 50,287,691</u>	<u>\$ 44,311,952</u>	<u>\$ 39,861,215</u>	<u>\$ 35,712,298</u>
\$ 20,050,471	\$ 21,128,592	\$ 19,314,692	\$ 20,173,279	\$ 20,285,944	\$ 21,320,705
-	-	725,000	695,000	675,000	645,000
<u>2,049,800</u>	<u>2,207,920</u>	<u>810,299</u>	<u>3,029,424</u>	<u>4,634,652</u>	<u>3,965,913</u>
<u>\$ 22,100,271</u>	<u>\$ 23,336,512</u>	<u>\$ 20,849,991</u>	<u>\$ 23,897,703</u>	<u>\$ 25,595,596</u>	<u>\$ 25,931,618</u>
\$ 68,449,043	\$ 63,791,825	\$ 60,520,160	\$ 58,520,373	\$ 55,167,430	\$ 52,784,958
3,030,359	2,543,238	2,971,833	2,275,648	2,872,619	2,905,764
<u>8,124,127</u>	<u>9,300,952</u>	<u>7,645,689</u>	<u>7,413,634</u>	<u>7,416,762</u>	<u>5,953,194</u>
<u>\$ 79,603,529</u>	<u>\$ 75,636,015</u>	<u>\$ 71,137,682</u>	<u>\$ 68,209,655</u>	<u>\$ 65,456,811</u>	<u>\$ 61,643,916</u>

City of West University Place, Texas

Changes in Net Position

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
EXPENSES				
Governmental activities:				
General government	\$ 4,158,747	\$ 3,604,254	\$ 4,197,072	\$ 3,805,870
Public safety	8,101,788	8,360,703	8,400,062	8,172,672
Public works	5,579,665	4,861,110	4,747,662	4,628,774
Public services	4,713,256	3,930,407	5,178,811	4,616,244
Interest and fiscal agent fees on long-term debt	1,360,250	1,197,800	1,266,808	1,354,716
	<u>23,913,706</u>	<u>21,954,274</u>	<u>23,790,415</u>	<u>22,578,276</u>
Business-type activities:				
Water and sewer	6,125,137	6,069,372	6,238,797	5,966,645
Solid waste	1,246,487	1,356,541	1,380,365	1,322,894
	<u>7,371,624</u>	<u>7,425,913</u>	<u>7,619,162</u>	<u>7,289,539</u>
TOTAL EXPENSES	<u>\$ 31,285,330</u>	<u>\$ 29,380,187</u>	<u>\$ 31,409,577</u>	<u>\$ 29,867,815</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
Public safety	\$ 1,029,374	\$ 948,986	\$ 1,248,210	\$ 1,402,809
Public works	1,148,617	907,850	981,741	913,079
Public services	1,839,645	834,764	2,409,440	1,918,415
Operating grants and contributions	1,333,737	2,389,875	1,992,389	1,647,584
Capital grants and contributions	20,580	-	-	-
	<u>5,371,953</u>	<u>5,081,475</u>	<u>6,631,780</u>	<u>5,881,887</u>
Business-type activities:				
Charges for services:				
Water and sewer	7,596,564	8,596,188	8,094,209	7,900,773
Solid waste	1,797,439	1,813,797	1,732,201	1,750,775
Operating grants and contributions	33,721	-	46,835	74,545
Capital grants and contributions	-	-	-	-
	<u>9,427,724</u>	<u>10,409,985</u>	<u>9,873,245</u>	<u>9,726,093</u>
TOTAL PROGRAM REVENUES	<u>\$ 14,799,677</u>	<u>\$ 15,491,460</u>	<u>\$ 16,505,025</u>	<u>\$ 15,607,980</u>
NET (EXPENSE)/REVENUE				
Governmental activities	\$ (18,541,753)	\$ (16,872,799)	\$ (17,158,635)	\$ (16,696,389)
Business-type activities	2,056,100	2,984,072	2,254,083	2,436,554
TOTAL NET EXPENSE	<u>\$ (16,485,653)</u>	<u>\$ (13,888,727)</u>	<u>\$ (14,904,552)</u>	<u>\$ (14,259,835)</u>

2017	2016	2015	2014	2013	2012
\$ 3,880,070	\$ 3,871,442	\$ 3,948,145	\$ 3,811,192	\$ 3,049,656	\$ 3,208,930
8,090,377	7,563,086	6,773,509	6,176,586	6,515,194	6,211,784
4,872,132	4,603,321	4,009,850	3,693,099	3,944,561	4,240,301
4,527,049	4,518,987	4,560,152	4,741,209	4,433,865	4,158,008
1,496,068	1,767,154	1,765,809	1,986,301	2,178,324	2,633,700
22,865,696	22,323,990	21,057,465	20,408,387	20,121,600	20,452,723
6,125,682	6,582,306	8,150,632	6,918,092	6,092,231	6,409,131
1,392,583	1,277,986	1,221,960	1,225,806	1,376,583	1,427,997
7,518,265	7,860,292	9,372,592	8,143,898	7,468,814	7,837,128
<u>\$ 30,383,961</u>	<u>\$ 30,184,282</u>	<u>\$ 30,430,057</u>	<u>\$ 28,552,285</u>	<u>\$ 27,590,414</u>	<u>\$ 28,289,851</u>
\$ 174,386	\$ 142,624	\$ 198,840	\$ 187,347	\$ 1,009,760	\$ 818,182
588,353	555,453	665,089	711,155	-	-
2,959,471	2,638,584	2,607,192	2,448,489	2,264,753	2,160,728
1,278,517	546,599	558,668	145,819	259,000	300,048
1,600,000	579,630	554,244	647,940	454,115	604,758
6,600,727	4,462,890	4,584,033	4,140,750	3,987,628	3,883,716
7,544,895	7,172,469	6,986,297	6,868,133	7,623,233	7,777,386
1,782,041	1,821,191	1,411,699	1,513,870	1,443,125	1,512,079
-	-	-	-	-	-
67,892	-	-	-	-	-
9,394,828	8,993,660	8,397,996	8,382,003	9,066,358	9,289,465
<u>\$ 15,995,555</u>	<u>\$ 13,456,550</u>	<u>\$ 12,982,029</u>	<u>\$ 12,522,753</u>	<u>\$ 13,053,986</u>	<u>\$ 13,173,181</u>
\$ (16,264,969)	\$ (17,861,100)	\$ (16,473,432)	\$ (16,267,637)	\$ (16,133,972)	\$ (16,569,007)
1,876,563	1,133,368	(974,596)	238,105	1,597,544	1,452,337
<u>\$ (14,388,406)</u>	<u>\$ (16,727,732)</u>	<u>\$ (17,448,028)</u>	<u>\$ (16,029,532)</u>	<u>\$ (14,536,428)</u>	<u>\$ (15,116,670)</u>

City of West University Place, Texas
Changes in Net Position - Continued
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes:				
Ad valorem taxes, levied for general purposes	\$ 12,951,147	\$ 12,349,123	\$ 11,903,540	\$ 11,692,751
Ad valorem taxes, levied for debt service	6,840,530	7,782,505	7,702,255	7,611,305
Sales taxes	1,468,046	1,358,237	1,300,764	1,172,256
Franchise and local taxes	934,635	908,389	1,093,925	1,128,060
Other taxes	12,191	8,382	11,219	13,528
Investment earnings	25,700	217,543	646,955	432,447
Other revenues	499,646	405,857	321,553	528,572
Gain on sale of capital assets	25,051	23,394	16,384	-
Loss on sale of asset held for resale	-	-	-	-
Transfers	1,904,821	2,744,183	2,756,038	2,680,546
	<u>24,661,767</u>	<u>25,797,613</u>	<u>25,752,633</u>	<u>25,259,465</u>
Business-type activities:				
Investment earnings	2,435	22,265	85,075	40,370
Other revenues	10,133	741	2,288	12,665
Gain on disposal of capital assets	-	-	-	-
Transfers	(1,904,821)	(2,744,183)	(2,756,038)	(2,680,546)
	<u>(1,892,253)</u>	<u>(2,721,177)</u>	<u>(2,668,675)</u>	<u>(2,627,511)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 22,769,514</u>	<u>\$ 23,076,436</u>	<u>\$ 23,083,958</u>	<u>\$ 22,631,954</u>
CHANGE IN NET POSITION				
Governmental activities	\$ 6,120,014	\$ 8,924,814	\$ 8,593,998	\$ 8,563,076
Business-type activities	163,847	262,895	(414,592)	(190,957)
TOTAL CHANGE IN NET POSITION	<u>\$ 6,283,861</u>	<u>\$ 9,187,709</u>	<u>\$ 8,179,406</u>	<u>\$ 8,372,119</u>

	2017	2016	2015	2014	2013	2012
\$	10,907,681	\$ 9,994,947	\$ 9,360,277	\$ 8,605,582	\$ 8,087,360	\$ 7,527,047
	7,707,172	8,111,959	8,144,274	7,791,467	7,733,658	7,713,377
	1,064,672	1,051,361	1,117,336	1,051,890	957,658	1,003,897
	1,159,730	1,144,256	1,204,795	1,214,227	1,170,448	1,142,265
	14,330	15,955	17,625	15,713	11,546	9,685
	122,556	116,798	89,970	60,784	35,087	27,270
	455,033	735,113	398,199	503,889	320,123	286,619
	-	40,279	24,076	21,354	23,909	427
	-	-	-	-	-	(68,150)
	2,798,454	(1,337,756)	1,943,800	1,740,504	1,943,100	1,861,848
	24,229,628	19,872,912	22,300,352	21,005,410	20,282,889	19,504,285
	17,706	15,397	15,515	17,823	9,534	8,027
	-	-	-	-	-	-
	-	-	3,988	-	-	-
	(2,798,454)	1,337,756	(1,943,800)	(1,740,504)	(1,943,100)	(1,861,848)
	(2,780,748)	1,353,153	(1,924,297)	(1,722,681)	(1,933,566)	(1,853,821)
\$	21,448,880	\$ 21,226,065	\$ 20,376,055	\$ 19,282,729	\$ 18,349,323	\$ 17,650,464
\$	7,964,659	\$ 2,011,812	\$ 5,826,920	\$ 4,737,773	\$ 4,148,917	\$ 2,935,278
	(904,185)	2,486,521	(2,898,893)	(1,484,576)	(336,022)	(401,484)
\$	7,060,474	\$ 4,498,333	\$ 2,928,027	\$ 3,253,197	\$ 3,812,895	\$ 2,533,794

City of West University Place, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
GENERAL FUND				
Nonspendable	\$ 339,645	\$ 241,156	\$ 180,424	\$ 189,376
Restricted	372,371	332,455	332,455	303,424
Assigned	83,732	60,704	104,773	118,377
Unassigned	8,851,465	11,819,314	9,279,646	7,622,781
TOTAL GENERAL FUND	<u>\$ 9,647,213</u>	<u>\$ 12,453,629</u>	<u>\$ 9,897,298</u>	<u>\$ 8,233,958</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	-	-	-	-
Restricted	8,664,670	34,619,996	2,884,597	2,788,641
Assigned	8,319,745	-	6,406,418	2,915,694
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 16,984,415</u>	<u>\$ 34,619,996</u>	<u>\$ 9,291,015</u>	<u>\$ 5,704,335</u>

*Restated balances

Schedule 3

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012*</u>
\$ 184,871	\$ 180,188	\$ 171,887	\$ 170,933	\$ 157,515	\$ 134,564
273,462	239,760	202,862	163,999	127,437	95,322
119,000	210,000	210,000	210,000	210,000	210,000
<u>5,642,997</u>	<u>5,307,930</u>	<u>6,539,935</u>	<u>5,351,558</u>	<u>4,181,880</u>	<u>3,823,951</u>
<u>\$ 6,220,330</u>	<u>\$ 5,937,878</u>	<u>\$ 7,124,684</u>	<u>\$ 5,896,490</u>	<u>\$ 4,676,832</u>	<u>\$ 4,263,837</u>
-	1,600	2,372	2,372	2,372	2,372
2,756,897	2,303,478	2,086,904	1,416,649	2,070,182	2,244,596
2,622,516	1,879,507	1,241,519	900,045	1,215,634	734,460
-	-	-	-	(19,982)	(20,161)
<u>\$ 5,379,413</u>	<u>\$ 4,184,585</u>	<u>\$ 3,330,795</u>	<u>\$ 2,319,066</u>	<u>\$ 3,268,206</u>	<u>\$ 2,961,267</u>

City of West University Place, Texas
Changes In Fund Balances
Governmental Funds
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
REVENUES				
Taxes	\$ 22,213,323	\$ 22,337,978	\$ 21,958,275	\$ 21,554,808
Permits, licenses, and fees	875,490	692,902	751,301	712,094
Fines and forfeitures	127,236	120,302	284,153	232,698
Charges for services	3,035,641	1,954,822	3,569,378	3,038,733
Intergovernmental	866,921	2,254,024	1,186,605	871,088
Contributions	466,693	400,364	622,557	661,479
Investment earnings	19,257	161,052	483,992	330,931
Other revenue	499,646	405,857	321,553	525,597
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	28,104,207	28,327,301	29,177,814	27,927,428
EXPENDITURES				
General government	3,785,303	3,172,678	3,673,780	3,333,498
Public safety	8,702,975	8,450,215	8,103,931	8,155,677
Public works	3,550,808	3,192,743	3,031,327	3,019,779
Public services	3,922,705	3,262,592	4,459,780	4,000,979
Capital outlay	22,832,297	3,886,797	3,081,002	949,158
Debt service:				
Principal	6,496,435	8,060,000	7,910,000	7,770,000
Interest	1,364,103	768,808	926,095	1,070,033
Bond issuance costs	6,800	414,668	97,968	-
Advance refunding escrow	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	50,661,426	31,208,501	31,283,883	28,299,124
Excess (deficiency) of revenues over (under) expenditures	(22,557,219)	(2,881,200)	(2,106,069)	(371,696)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,714,939	4,749,813	3,690,393	3,957,584
Transfers out	(5,599,717)	(1,924,939)	(934,355)	(1,247,338)
Issuance of debt	-	34,850,000	4,040,000	-
Premium on debt issued	-	4,519,734	559,845	-
Payment to refunded bond escrow agent	-	(11,428,681)	-	-
Sale of capital assets	-	585	206	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	2,115,222	30,766,512	7,356,089	2,710,246
NET CHANGE IN FUND BALANCE	<u>\$ (20,441,997)</u>	<u>\$ 27,885,312</u>	<u>\$ 5,250,020</u>	<u>\$ 2,338,550</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	27.80%	32.15%	31.38%	32.33%

*Restated balances

Schedule 4

2017	2016	2015	2014	2013	2012*
\$ 20,832,729	\$ 20,263,796	\$ 19,797,518	\$ 18,668,734	\$ 17,934,252	\$ 17,380,393
588,353	555,453	665,089	711,155	796,562	609,037
174,386	142,624	198,840	187,347	213,198	209,145
2,959,471	2,638,584	2,607,192	2,448,489	2,264,753	2,160,728
532,336	546,599	558,668	145,819	259,000	300,048
746,181	579,630	554,244	647,940	454,115	604,758
80,160	101,841	81,707	55,079	31,760	25,035
441,874	735,113	398,199	503,889	320,123	218,469
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
26,355,490	25,563,640	24,861,457	23,368,452	22,273,763	21,507,613
3,500,020	3,458,898	3,495,513	3,298,890	2,582,560	2,427,755
8,072,917	7,626,200	7,012,054	6,271,557	6,617,056	5,615,673
3,224,684	3,023,532	2,473,106	2,262,843	2,596,798	2,628,156
3,870,475	4,231,959	3,237,909	3,219,455	3,043,191	2,402,878
100,259	332,992	236,947	1,886,749	209,284	214,662
-					
7,485,000	7,370,000	6,420,000	6,190,000	5,605,000	5,305,000
1,426,468	1,544,984	1,690,655	1,906,944	2,320,806	3,015,941
82,050	43,923	-	-	217,067	-
-	30,903	-	-	350,000	100,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
27,761,873	27,663,391	24,566,184	25,036,438	23,541,762	21,710,065
(1,406,383)	(2,099,751)	295,273	(1,667,986)	(1,267,999)	(202,452)
3,998,454	3,033,063	2,539,463	2,964,128	2,789,897	2,127,938
(1,200,000)	(4,370,819)	(595,663)	(1,025,624)	(1,010,591)	(1,419,885)
9,965,000	3,170,000	-	-	16,360,000	8,555,000
-	-	-	-	-	282,219
(9,881,593)	(71,785)	-	-	(16,151,373)	(8,676,911)
1,802	6,276	850	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,883,663	1,766,735	1,944,650	1,938,504	1,987,933	868,361
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,477,280	\$ (333,016)	\$ 2,239,923	\$ 270,518	\$ 719,934	\$ 665,909
34.56%	33.02%	33.16%	34.88%	33.97%	38.71%

City of West University Place, Texas

Tax Revenues by Source

Governmental Funds

Last Ten Fiscal Years

<u>Function</u>	<u>Change 2020-2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Ad valorem	-1.3%	\$ 19,798,451	\$ 20,062,970	\$ 19,552,367	\$ 19,240,964
Sales	8.1%	1,468,046	1,358,237	1,300,764	1,172,256
Franchise	2.9%	934,635	908,389	1,093,925	1,128,060
Other taxes	45.4%	12,191	8,382	11,219	13,528
TOTAL	-0.6%	\$ 22,213,323	\$ 22,337,978	\$ 21,958,275	\$ 21,554,808

Schedule 5

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 18,593,997	\$ 18,052,224	\$ 17,457,762	\$ 16,386,904	\$ 15,794,600	\$ 15,224,546
1,064,672	1,051,361	1,117,336	1,051,890	957,658	1,003,897
1,159,730	1,144,256	1,204,795	1,214,227	1,170,448	1,142,265
14,330	15,955	17,625	15,713	11,546	9,685
<u>\$ 20,832,729</u>	<u>\$ 20,263,796</u>	<u>\$ 19,797,518</u>	<u>\$ 18,668,734</u>	<u>\$ 17,934,252</u>	<u>\$ 17,380,393</u>

City of West University Place, Texas

Assessed Value and Actual Value

Of Taxable Property

Last Ten Fiscal Years ⁽²⁾

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Residential property	\$ 6,788,866,975	\$ 6,414,653,708	\$ 6,189,403,563	\$ 6,181,792,257
Commercial property	426,425,638	365,925,870	121,621,384	315,402,455
Less: Tax exempt property	<u>(512,190,641)</u>	<u>(456,695,090)</u>	<u>(263,227,329)</u>	<u>(455,549,934)</u>
TOTAL TAXABLE ASSESSED VALUE ⁽¹⁾	<u>\$ 6,703,101,972</u>	<u>\$ 6,323,884,488</u>	<u>\$ 6,047,797,618</u>	<u>\$ 6,041,644,778</u>
TOTAL DIRECT TAX RATE	0.29406	0.30921	0.31680	0.31680

Source: Harris County Certified / Uncertified Tax Roll

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

Schedule 6

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 5,880,687,603	\$ 5,578,375,329	\$ 4,943,195,212	\$ 4,497,103,352	\$ 4,335,656,103	\$ 4,106,994,971
305,286,953	314,619,442	259,878,387	219,273,264	205,183,728	278,070,080
<u>(434,734,202)</u>	<u>(449,141,214)</u>	<u>(386,360,932)</u>	<u>(340,252,719)</u>	<u>(323,044,475)</u>	<u>(325,525,373)</u>
<u>\$ 5,751,240,354</u>	<u>\$ 5,443,853,557</u>	<u>\$ 4,816,712,667</u>	<u>\$ 4,376,123,897</u>	<u>\$ 4,217,795,356</u>	<u>\$ 4,059,539,678</u>
0.31680	0.33179	0.36179	0.37400	0.37411	0.37411

City of West University Place, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years ⁽²⁾

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City of West University Place by fund:				
Direct rates:				
General	\$ 0.19248	\$ 0.18969	\$ 0.19277	\$ 0.19214
Debt service	0.10158	0.11952	0.12403	0.12466
	<hr/>	<hr/>	<hr/>	<hr/>
Total direct rates	0.29406	0.30921	0.31680	0.31680
Overlapping rates:				
Houston Independent School District	1.09440	1.13310	1.13670	1.20670
Harris County	0.37693	0.39116	0.40713	0.41801
Harris County Flood Control District	0.03349	0.03142	0.02792	0.02831
Port of Houston Authority	0.08720	0.00991	0.01074	0.01256
Harris County Hospital District	0.16221	0.16671	0.16591	0.17110
Harris County Department of Education	0.00499	0.00499	0.00500	0.00520
Houston Community College	0.09909	0.10026	0.10026	0.10026
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL DIRECT AND OVERLAPPING RATES ⁽¹⁾	\$ 2.15237	\$ 2.14677	\$ 2.17046	\$ 2.25894

Tax rates per \$100 of assessed valuation
Source: Harris County Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of West University Place.
(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

Schedule 7

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 0.18557	\$ 0.18321	\$ 0.19356	\$ 0.19631	\$ 0.19125	\$ 0.18475
0.13123	0.14858	0.16823	0.17769	0.18286	0.18936
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
0.31680	0.33179	0.36179	0.37400	0.37411	0.37411
1.20670	1.19670	1.19670	1.18670	1.15670	1.15670
0.41656	0.41923	0.41731	0.41455	0.40021	0.39117
0.02829	0.02733	0.02736	0.02827	0.02809	0.02809
0.01334	0.01342	0.01531	0.01716	0.01952	0.01856
0.17179	0.17000	0.17000	0.17000	0.18216	0.19216
0.00520	0.00542	0.00600	0.00636	0.00662	0.00658
0.10026	0.10194	0.10689	0.09717	0.09717	0.09722
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 2.25894</u>	<u>\$ 2.26583</u>	<u>\$ 2.30136</u>	<u>\$ 2.29421</u>	<u>\$ 2.26458</u>	<u>\$ 2.26459</u>

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City of West University Place, Texas

Principal Property Taxpayers

Current Year and Nine Years Ago

Schedule 8

Property Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
U West Marketplace Association	\$ 11,707,692	1	0.17%	\$ 6,898,301	2	0.17%
Southwestern Bell	9,316,267	2	0.14%	-	n/a	0.00%
Retail Fund I Houston Rice	7,450,915	3	0.11%	-	n/a	0.00%
2715 Bissonnet LLC	7,331,802	4	0.11%	-	n/a	0.00%
Centerpoint Energy Inc	7,278,840	5	0.11%	4,953,780	4	0.12%
Steven J & Susan Kherkher	7,020,258	6	0.10%	-	n/a	0.00%
DKGA / WUC LP	6,161,600	7	0.09%	-	n/a	0.00%
Douglas L & Sarah L Forshee	5,775,000	8	0.09%	-	n/a	0.00%
Howard D & Katherine K Thames	5,660,400	9	0.08%	-	n/a	0.00%
James M & Donna P Donnell	5,626,160	10	0.08%	3,823,302	7	0.09%
AT&T	-	n/a	0.00%	10,486,185	1	0.26%
Vincere Village Place LLC	-	n/a	0.00%	5,024,085	3	0.12%
5177 Builder Ltd	-	n/a	0.00%	4,523,657	5	0.11%
Craig A & Patricia Biggio	-	n/a	0.00%	3,940,000	6	0.10%
Kenneth & Kimberly Alo	-	n/a	0.00%	3,763,854	8	0.09%
Edmund P III & Kathryn L Segner	-	n/a	0.00%	3,643,949	9	0.09%
Charles & Kimberly Yates	-	n/a	0.00%	3,562,556	10	0.09%
Subtotal	73,328,934		1.09%	50,619,669		1.25%
Other taxpayers	6,629,773,038		98.91%	4,008,920,009		98.75%
TOTAL	\$ 6,703,101,972		100.00%	\$ 4,059,539,678		100.00%

Source: Harris County Tax Assessor-Collector's records.

City of West University Place, Texas

Property Tax Levies and Collections

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax levy ⁽¹⁾	\$ 19,706,302	\$ 19,959,267	\$ 19,380,458	\$ 19,225,944
Current tax collected	19,604,427	19,837,526	19,299,113	19,136,864
Percentage of current tax collections	99.48%	99.39%	99.58%	99.54%
Delinquent tax collections ⁽²⁾	-	45,922	31,508	42,457
TOTAL TAX COLLECTIONS	\$ 19,604,427	\$ 19,883,448	\$ 19,330,621	\$ 19,179,321
TOTAL COLLECTIONS AS A PERCENTAGE OF CURRENT LEVY	99.48%	99.62%	99.74%	99.76%
Outstanding delinquent taxes ⁽²⁾	\$ 101,875	\$ 75,819	\$ 49,837	\$ 46,623
OUTSTANDING DELINQUENT TAXES AS A PERCENTAGE OF LEVY	0.52%	0.38%	0.26%	0.24%

(1) Tax Levy is presented net of cumulative adjustments.

(2) Cumulative collections in years subsequent to the tax year presented and outstanding balance as of the end of the latest fiscal year presented.

Schedule 9

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	18,569,886	\$ 18,066,779	\$ 17,430,603	\$ 16,367,997	\$ 15,778,014	\$ 15,193,429
	18,493,310	17,969,764	17,335,980	16,287,801	15,705,681	15,123,562
	99.59%	99.46%	99.46%	99.51%	99.54%	99.54%
	35,187	56,439	60,609	55,807	48,638	46,533
<u>\$</u>	<u>18,528,497</u>	<u>\$ 18,026,203</u>	<u>\$ 17,396,589</u>	<u>\$ 16,343,608</u>	<u>\$ 15,754,319</u>	<u>\$ 15,170,095</u>
	99.78%	99.78%	99.80%	99.85%	99.85%	99.85%
\$	41,389	\$ 40,576	\$ 34,014	\$ 24,389	\$ 23,695	\$ 23,334
	0.22%	0.22%	0.20%	0.15%	0.15%	0.15%

City of West University Place, Texas

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
GOVERNMENTAL ACTIVITIES				
General obligation bonds	\$ 15,539,529	\$ 21,780,445	\$ 25,207,864	\$ 32,972,156
Certificates of obligation	32,560,859	33,067,491	10,141,692	5,843,325
Subtotal	48,100,388	54,847,936	35,349,556	38,815,481
BUSINESS-TYPE ACTIVITIES				
Revenue bonds	-	-	-	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 48,100,388</u>	<u>\$ 54,847,936</u>	<u>\$ 35,349,556</u>	<u>\$ 38,815,481</u>
Personal income ⁽¹⁾	-	-	-	-
DEBT AS A PERCENTAGE OF PERSONAL INCOME ⁽¹⁾	0%	0%	0%	0%
Population	14,955	15,585	15,676	15,477
DEBT PER CAPITA	\$ 3,216	\$ 3,519	\$ 2,255	\$ 2,508

(1) Personal income data is not available.

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

Schedule 10

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 40,581,448	\$ 43,401,666	\$ 46,904,963	\$ 52,775,550	\$ 58,445,351	\$ 62,271,173
6,122,480	10,292,415	11,113,193	11,898,971	12,654,747	13,154,781
46,703,928	53,694,081	58,018,156	64,674,521	71,100,098	75,425,954
-	-	3,094,933	3,790,755	4,466,577	5,112,399
<u>\$ 46,703,928</u>	<u>\$ 53,694,081</u>	<u>\$ 61,113,089</u>	<u>\$ 68,465,276</u>	<u>\$ 75,566,675</u>	<u>\$ 80,538,353</u>
-	-	-	-	-	-
0%	0%	0%	0%	0%	0%
15,433	15,516	15,604	15,369	15,221	15,109
\$ 3,026	\$ 3,461	\$ 3,917	\$ 4,455	\$ 4,965	\$ 5,330

City of West University Place, Texas

Ratios of Net Bonded Debt to Assessed Value,
 Net Bonded Debt Per Capita, and Assessed
 and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
NET TAXABLE ASSESSED VALUE				
All property	\$ 6,703,101,972	\$ 6,323,884,488	\$ 6,047,797,618	\$ 6,041,644,778
NET BONDED DEBT				
Gross bonded debt	\$ 48,100,388	\$ 54,847,936	\$ 35,349,556	\$ 38,815,481
Less: debt service funds	(541,445)	(1,329,502)	(696,457)	(868,291)
NET BONDED DEBT	<u>\$ 47,558,943</u>	<u>\$ 53,518,434</u>	<u>\$ 34,653,099</u>	<u>\$ 37,947,190</u>
RATIO OF THE NET BONDED DEBT TO ASSESSED VALUE	0.71%	0.85%	0.57%	0.63%
Population	<u>14,955</u>	<u>15,585</u>	<u>15,676</u>	<u>15,477</u>
NET BONDED DEBT PER CAPITA	<u>\$ 3,180</u>	<u>\$ 3,434</u>	<u>\$ 2,211</u>	<u>\$ 2,452</u>

(1) The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than five percent of the assessed valuation.

Schedule 11

2017	2016	2015	2014	2013	2012
\$ 5,751,240,354	\$ 5,443,853,557	\$ 4,816,712,667	\$ 4,376,123,897	\$ 4,217,795,356	\$ 4,059,539,678
\$ 46,703,928 (900,120)	\$ 58,018,156 (912,718)	\$ 64,674,521 (566,276)	\$ 71,100,098 (167,039)	\$ 75,425,954 (95,668)	\$ 79,748,928 (276,963)
<u>\$ 45,803,808</u>	<u>\$ 57,105,438</u>	<u>\$ 64,108,245</u>	<u>\$ 70,933,059</u>	<u>\$ 75,330,286</u>	<u>\$ 79,471,965</u>
0.80%	1.05%	1.33%	1.62%	1.79%	1.96%
<u>15,516</u>	<u>15,516</u>	<u>15,604</u>	<u>15,369</u>	<u>15,221</u>	<u>15,109</u>
<u>\$ 2,952</u>	<u>\$ 3,680</u>	<u>\$ 4,108</u>	<u>\$ 4,615</u>	<u>\$ 4,949</u>	<u>\$ 5,260</u>

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City of West University Place, Texas

Direct and Overlapping Governmental Activities Debt

December 31, 2021

Schedule 12

	Net Bonded Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
DEBT REPAYED WITH PROPERTY TAXES			
Governmental Unit:			
Harris County	\$ 1,682,992,125	1.12%	\$ 18,849,512
Harris County Dept of Education	20,185,000	1.12%	226,072
Harris County Flood Control District	584,900,000	1.12%	6,550,880
Harris County Hospital District	81,540,000	1.12%	913,248
Houston Community College	492,485,000	2.96%	14,577,556
Houston Independent School District	2,558,485,000	2.90%	74,196,065
Port of Houston Authority	469,434,397	1.12%	5,257,665
	<hr/>		<hr/>
Subtotal, overlapping debt	\$ 5,890,021,522		\$ 120,570,998
CITY DIRECT DEBT	\$ 48,100,388	100.00%	48,100,388
			<hr/>
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 168,671,386
			<hr/> <hr/>

Source: Municipal Advisory Council of Texas

(1) Estimated percentage applicable obtained from Municipal Advisory Council of Texas. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

City of West University Place, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt limit	\$ 335,155,099	\$ 316,194,224	\$ 302,389,881	\$ 302,082,239
Total net debt applicable to limit	<u>48,100,388</u>	<u>54,847,936</u>	<u>35,349,556</u>	<u>37,947,190</u>
LEGAL DEBT MARGIN	<u>\$ 287,054,711</u>	<u>\$ 261,346,288</u>	<u>\$ 267,040,325</u>	<u>\$ 264,135,049</u>
Total net debt applicable to the limit as a percentage of debt limit	14.35%	17.35%	11.69%	12.56%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2020

Assessed value	\$ 6,703,101,972
Debt limit (5% of assessed value) ⁽¹⁾	335,155,099
Debt applicable to limit:	
General obligation bonds and certificates of obligation, net of premium	48,100,388
Less: amount set aside for repayment of general obligation debt	<u>(541,445)</u>
Total net debt applicable to limit	<u>47,558,943</u>
LEGAL DEBT MARGIN	<u>\$ 287,596,156</u>

(1) The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than five percent of the assessed valuation.

Schedule 13

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 287,562,018	\$ 272,192,678	\$ 240,835,633	\$ 218,806,195	\$ 210,889,768	\$ 210,889,768
<u>45,803,808</u>	<u>57,105,438</u>	<u>64,108,245</u>	<u>70,933,059</u>	<u>75,330,286</u>	<u>73,605,191</u>
<u>\$ 241,758,210</u>	<u>\$ 215,087,240</u>	<u>\$ 176,727,388</u>	<u>\$ 147,873,136</u>	<u>\$ 135,559,482</u>	<u>\$ 137,284,577</u>
15.93%	20.98%	26.62%	32.42%	35.72%	34.90%

City of West University Place, Texas

Pledged Revenue Coverage

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
GROSS REVENUES ⁽¹⁾	\$ 7,596,564	\$ 8,596,188	\$ 8,094,209	\$ 7,900,773
OPERATING EXPENSES ⁽²⁾	<u>4,558,212</u>	<u>4,459,276</u>	<u>4,619,159</u>	<u>4,354,881</u>
NET REVENUES AVAILABLE FOR DEBT SERVICE	<u>\$ 3,038,352</u>	<u>\$ 4,136,912</u>	<u>\$ 3,475,050</u>	<u>\$ 3,545,892</u>
DEBT SERVICE REQUIREMENTS ⁽³⁾				
Principal	\$ -	\$ -	\$ -	\$ -
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERAGE	N/A	N/A	N/A	N/A

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Schedule 14

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 7,544,895	\$ 7,172,469	\$ 6,986,297	\$ 6,868,133	\$ 7,623,233	\$ 7,777,386
<u>4,259,755</u>	<u>4,642,322</u>	<u>6,085,370</u>	<u>4,580,425</u>	<u>3,962,028</u>	<u>4,293,010</u>
<u>\$ 3,285,140</u>	<u>\$ 2,530,147</u>	<u>\$ 900,927</u>	<u>\$ 2,287,708</u>	<u>\$ 3,661,205</u>	<u>\$ 3,484,376</u>
\$ -	\$ -	\$ 695,000	\$ 675,000	\$ 645,000	\$ 720,000
<u>-</u>	<u>-</u>	<u>144,351</u>	<u>172,185</u>	<u>198,585</u>	<u>225,323</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,351</u>	<u>\$ 847,185</u>	<u>\$ 843,585</u>	<u>\$ 945,323</u>
N/A	N/A	1.07	2.70	4.34	3.69

City of West University Place, Texas
Demographic and Economic Statistics ⁽¹⁾⁽²⁾⁽³⁾
Last Ten Fiscal Years

Schedule 15

<u>Fiscal Year Ended December 31,</u>	<u>Population ⁽⁴⁾</u>	<u>Median Age</u>	<u>School Enrollment ⁽⁵⁾</u>
2021	14,955	42.10	1,284
2020	15,585	42.10	1,283
2019	15,676	41.10	1,304
2018	15,477	41.10	1,274
2017	15,433	42.80	1,307
2016	15,516	42.40	1,280
2015	15,604	41.80	1,253
2014	15,369	41.40	1,280
2013	15,221	41.40	1,210
2012	15,109	41.40	1,225

(1) Personal income data not available.

(2) Per capita personal income data not available.

(3) Beginning 2005 and after, cities with population under 25,000 do not have unemployment information available.

(4) Data source - Bureau of the Census

(5) The school enrollment reflects enrollment in public schools located within the City limits.

City of West University Place, Texas

Schedule 16

Principal Employers ⁽¹⁾⁽²⁾

Current Year and Nine Years Ago

Employer	Fiscal Year	
	2021 Rank	2012 Rank
Southwestern Bell	1	N/A
West University Elementary School	2	2
City of West University Place	3	3
AT&T	N/A	1

Note: The residents of the City of West University Place are primarily employed outside of the City limits.

(1) The number of employees of each of the employers is currently unavailable.

(2) The percentage of total employment is currently unavailable.

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City of West University Place, Texas

Schedule 17

Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
GENERAL FUND										
Administration	7	6	6	6	5	6	6	6	5	5
Finance	6	6	5	5	5	5	5	5	6	6
Police Department	38	38	38	38	38	35	35	35	35	35
Fire Department	23	23	23	23	23	23	23	23	23	23
Public Works	19	19	18	18	18	18	18	19	20	20
Parks and Recreation	12	12	12	12	12	12	12	11	11	11
Total General Fund	105	104	102	102	101	99	99	99	100	100
ENTERPRISE FUND										
Water	13	13	13	13	13	13	14	14	14	14
Solid Waste	7	7	7	7	7	7	6	6	8	8
Total Enterprise Fund	20	20	20	20	20	20	20	20	22	22
INTERNAL SERVICE FUND										
Administration	4	4	4	4	4	4	4	3	3	3
Total Internal Service Fund	4	4	4	4	4	4	4	3	3	3
TOTAL CITY POSITIONS	<u>129</u>	<u>128</u>	<u>126</u>	<u>126</u>	<u>125</u>	<u>123</u>	<u>123</u>	<u>122</u>	<u>125</u>	<u>125</u>

Notes: Approximately 85-100 temporary and seasonal employees are hired during the summer months as aquatic & customer service personnel. This count is not reflected above. Eight contract personnel are used year round to augment solid waste crews. This count is not reflected above.

City of West University Place, Texas

Operating Indicators by Function

Last Ten Fiscal Years

FUNCTION/PROGRAM	2021	2020	2019	2018
Police				
Arrests	120	116	245	269
Accident reports	124	89	157	151
Citations	1,669	969	3,100	3,073
Offense reports	640	707	750	761
Calls for service	23,558	19,317	25,367	29,719
Fire				
Emergency responses	804	727	716	698
Average response time	4:53	4:53	4:14	4:40
Fire incidents	931	701	779	723
Water				
New accounts	625	604	593	629
Source:				
Surface	53	53	62	58
Well	42	47	38	42
Average daily consumption (millions of gallons)	2.18	2.16	2.17	2.16
Number of million gallons of surface water pumped	391.22	415.31	492.12	462.52
Number of million gallons of well water pumped	286.83	372.56	300.47	328.84
Total consumption (millions of gallons)	678.05	787.87	792.59	791.36
Peak daily consumption (millions of gallons)	4.87	4.58	3.27	4.14
Sewer				
Average daily sewage treatment (millions of gallons)	1.06	1.15	1.15	1.18
Total treated (millions of gallons)	386.68	417.21	422.63	400.68
Peak daily intake (millions of gallons)	2.86	6.44	7.00	3.54

Source: Various City departments

Schedule 18

2017	2016	2015	2014	2013	2012
231	294	360	226	323	231
142	151	162	122	127	142
2,260	1,444	2,322	2,482	2,779	2,260
609	758	874	581	695	609
24,844	24,716	26,354	22,071	26,835	24,844
675	684	717	669	683	659
4:35	4:29	4:34	4:35	4:34	4:45
805	754	801	721	663	734
657	598	526	608	665	669
59	65	62	80	80	80
41	35	38	20	20	20
2.20	2.12	2.06	2.06	2.31	2.38
477.01	507.88	468.12	437.00	466.25	530.06
326.45	267.50	282.03	313.88	375.06	335.24
803.46	775.38	750.15	750.88	841.31	865.30
6.54	4.06	4.50	4.24	5.36	4.89
1.12	1.17	1.20	1.10	1.09	1.18
409.46	426.47	436.57	402.95	397.30	430.12
5.09	5.88	5.43	4.04	4.04	4.85

City of West University Place, Texas

Capital Asset Statistics by Function

Last Ten Fiscal Years

FUNCTION/PROGRAM	2021	2020	2019	2018
Police				
Stations	1	1	1	1
Patrol units	8	8	8	8
Fire stations	1	1	1	1
Other public works				
Streets (miles - centerlines)	53	53	53	53
Streetlights	1,747	1,747	1,747	1,747
Parks and recreation				
Parks and Facilities	11	11	11	11
Parks acreage	13.2	13.2	13.2	13.2
Swimming pools	2	2	2	2
Baseball/softball/ soccer	2	2	2	2
Tennis courts	5	5	5	5
Racquetball/squash courts	2	2	2	2
Half-basketball courts	3	3	3	3
Water				
Water mains (miles)	56	56	56	56
Fire hydrants	347	347	347	347
Storage capacity (millions of gallons)	3.65	3.65	3.65	3.65
Sewer				
Sanitary sewers (miles)	44	44	44	44
Storm sewers (miles)	34	34	34	34
Open ditch/creek/canal drainage (miles)	1.32	1.32	1.32	1.32
Treatment capacity (millions of gallons)	2	2	2	2

Source: Various City departments

Schedule 19

2017	2016	2015	2014	2013	2012
1	1	1	1	1	1
8	8	8	7	7	7
1	1	1	1	1	1
53	53	46	46	46	43
1,687	1,687	1,687	1,687	1,687	1,687
11	11	9	9	9	9
13.2	13.1	13.7	13.7	13.7	13.7
2	2	2	2	2	2
-	-	-	-	-	-
5	5	5	5	5	5
2	2	2	2	2	2
3	3	3	3	3	3
56	56	40	40	40	40
347	347	357	357	357	357
3.65	3.65	3.65	3.65	3.65	3.65
44	44	40	40	40	40
34	34	32	32	32	32
1.32	1.32	1.32	1.32	1.32	1.32
2	2	2	2	2	2

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Overall Compliance and Internal Control Section

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Mayor
and Members of the City Council of the
City of West University Place, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements,¹ and have issued our report thereon dated June 8, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor
and Members of the City Council of the
City of West University Place, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
June 8, 2022