



**City of Willow Park
City Council
Regular Meeting Agenda
Municipal Complex
516 Ranch House Rd, Willow Park, TX 76087
Tuesday, March 23, 2021 at 7:00 p.m.**

The City Council of the City of Willow Park reserves the right to meet in closed, executive session on any of the items listed below should the need arise and if authorized by Title 5, Chapter 551, of the Texas Government Code.

Call to Order

Invocation & Pledge of Allegiance

Public Comments (Limited to five minutes per person)

Residents may address the Council regarding an item that is not listed on the agenda. Residents must complete a speaker form and turn it in to the Secretary five (5) minutes before the start of the meeting. The Rules of Procedure states that comments are to be limited to five (5) minutes. The Texas Open Meetings Act provides the following:

(a) If, at a meeting of a governmental body, a member of the public or of the governmental body inquires about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:

- (1) A statement of specific factual information given in response to the inquiry; or
- (2) A recitation of existing policy in response to the inquiry.

(b) Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.

Consent Agenda

All matters listed in the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be a separate discussion of

these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

- A. Approve City Council Meeting Minutes – Regular Meeting March 09, 2021.

Regular Agenda Items

1. Discussion/ Action: To consider and act on approval of the Fiscal Year 2019 – 2020 Audit.
2. Discussion/ Action: To consider and act on rescinding the COVID declaration of disaster.
3. Discussion/ Action: To consider and act on a resolution authorizing continued participation with the steering committee of cities served by Oncor.
4. Discussion Only: Update on substandard structures located in the Meadows Place Estate Stage 1.
5. Discussion / Action: To consider an act on all matters incident and related to approving and authorizing publication of notice of intention to issue certificates of obligation in an amount not to exceed \$14,500,000 for the purpose of paying contractual obligations to be incurred for (i) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving wastewater system properties or facilities, including land and rights-of-way therefore and (ii) professional services rendered in relation to such projects and the financing thereof, including the adoption of a Resolution (pertaining thereto.)
6. Discussion / Action: To discuss and act on rescinding TDEM Form 147 appointment of EMC to Parker County to allow the Mayor to reappoint a new EMC for the City of Willow Park.
7. Discussion/ Action: To consider and act on items to be considered for future council meetings.
8. Discussion/ Action: To consider and act on setting the date and time for the next council meeting.

Executive Session

§ 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

- A. § 551.071. Texas Government Code. Consultation with Attorney
- B. Any Posted item

Following Executive Session, the City Council will reconvene into Regular Session and may take any action deemed necessary as a result of the Executive Session.

Informational

- A. Mayor & Council Member Comments
- B. City Manager's Comments

Adjournment

I certify that the above notice of this meeting posted on the bulletin board at the municipal complex of the City of Willow Park, Texas on or before March 19, 2021 at 5:00 p.m.

Alicia Smith TRMC/ CMC, City Secretary

If you plan to attend this public meeting and you have a disability that requires special arrangements at this meeting, please contact City Secretary's Office at (817) 441-7108 ext. 6 or fax (817) 441-6900 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.



**City of Willow Park
City Council
Regular Meeting Minutes
Municipal Complex
516 Ranch House Rd, Willow Park, TX
76087 Tuesday, March 09, 2021 at 7:00 p.m.**

Call to Order

Mayor Moss called the meeting to order at 7:00 pm

Present:

Mayor Doyle Moss
Councilmember Eric Contreras
Councilmember Tyler VanSant
Councilmember Lea Young
Councilmember Nathan Crummell

Absent:

Councilmember Greg Runnebaum

Staff present:

City Manager Bryan Grimes
City Attorney Pat Chesser
City Secretary Alicia Smith

Invocation & Pledge of Allegiance

Mayor Moss led a moment of silence and the Pledge of Allegiance

Proclamation

Mayor Moss read a proclamation to recognize the 2020 Texas 5A-D2 State Champions, Aledo Bearcat Football team.

Public Comments (Limited to five minutes per person)

KJ Hannah - Meadows Place Willow Park - read comments asking about some unfinished housing in her neighborhood.

Consent Agenda

A. Approve City Council Meeting Minutes – Regular Meeting February 23, 2021.

Motion made by Councilmember Contreras

To approve the meeting minutes from February 23, 2021.

Seconded by Councilmember Young

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

Regular Agenda Items

1. Discussion/ Action: To consider and act on an ordinance to cancel the May 1, 2021 general election.

Motion made by Councilmember

To approve an ordinance of the City Council of the city of Willow Park, Texas, ordering the cancellation of the general election scheduled for May 1, 2021, declaring unopposed candidates for three at large city council members to be elected to office, directing the City Secretary to take certain actions pertaining to the cancellation of the general election, providing a severability clause, providing for an effective date, and providing an open meetings clause.

Seconded by Councilmember Young

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

2. Discussion/ Action: To consider and act on the resignation of Planning and Zoning Committee member Joe Lane and the appointment of Scott Smith, alternate member to the position.

Motion was made by Councilmember Young

To accept the resignation of Joe Land from the Planning and Zoning Commission and to appoint alternate Scott Smith to that position.

Seconded by Councilmember Contreras

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

3. Discussion/ Action: To consider and act on donating Fire Department surplus equipment.

Motion was made by Councilmember VanSant

To approve the donation of surplus fire department equipment to

Seconded by Councilmember Contreras.

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

4. Discussion/ Action: To consider and act on Capital Improvements funding presentation by Hilltop Securities and staff.

Erick Maha, from Hilltop Securities spoke to Council on possible options for Capital Improvements funding.

No action was taken

5. Discussion only: Review and update from winter storm in February 2021.

Police Chief Carrie West updated the council on the effects of the winter storm on the Police Department.

Fire Chief Mike LeNoir updated the council on the effects of the winter storm on the Fire Department.

Public Works Director Michelle Guelker and Public Works Supervisor Chase McBride spoke on the effects of the winter storm on the Public Works Department.

6. Discussion/ Action: To consider and act on a resolution continuing and extending the Mayor's declaration of a local state of disaster caused by severe winter weather.

Motion was made by Councilmember Young

To approve a resolution continuing and extending the Mayor's declaration of a local state of disaster caused by severe winter weather.

Seconded by Councilmember Contreras

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

7. Discussion/ Action: To consider and act on crediting water bills in the amount of 2,000 gallons, due to the February 2021, winter storm.

Motion was made by Councilmember Contreras

To approve crediting water bills for the month of March in the amount of 2,000 gallons

Seconded by Councilmember VanSant

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

8. Discussion/ Action: To consider and act on authorizing staff to submit a grant/loan application to the USDA for equipment purchase and acquisition.

Motion was made by Councilmember Young

To authorize staff to submit a grant/loan application to the USDA for equipment purchase and acquisition.

Seconded by Councilmember Contreras

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

9. Discussion/ Action: To consider and act on items to be considered for future council meetings.

Audit

Unfinished housing in the Meadows Place
Update on Fort Worth water connections

10. Discussion/ Action: To consider and act on setting the date and time for the next council meeting.

March 23, 2021 at 7:00 pm

Executive Session

None

Adjournment

Motion was made by Councilmember Young

To adjourn

Seconded by Councilmember VanSant

Aye votes: Councilmembers Contreras, VanSant, Young and Crummel

Motion carries with a vote of 4-0

Meeting was adjourned at 7:59 pm

APPROVED:

Doyle Moss, Mayor

ATTEST:

Alicia Smith, City Secretary



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: 03/23/2021	Department: Finance	Presented By: Clifton Larson Allen
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AGENDA ITEM:

Annual Audit Presentation

BACKGROUND:

The Annual Audit was performed by Clifton Larson Allen, LLP. This is the auditing firm selected by Council on September 11, 2018.

STAFF/BOARD/COMMISSION RECOMMENDATION:

To accept and approve the Annual Audit as Presented.

EXHIBITS:

Annual Audit Documents

ADDITIONAL INFO:	FINANCIAL INFO:	
	Cost	\$ N/A
Source of Funding	\$ N/A	



Honorable Mayor and City Council
City of Willow Park
Willow Park, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Willow Park (the City) as of and for the year ended September 30, 2020, and have issued our report thereon dated March 17, 2021. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Willow Park are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on historical water and sewer revenues, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the City's net pension liability related to TMRS as well as the related deferred inflows and outflows is based on guidance from GASB Statement No. 68, GASB Statement No. 71, and the plan's actuarial valuation. We evaluated the key factors and assumptions used to develop the liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of depreciation expense on capital assets is based on management's estimated useful lives of those assets. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated March 17, 2021.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

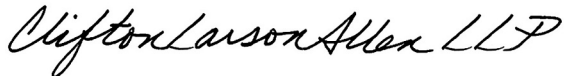
Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the combining fund financial statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated March 17, 2021.

* * *

This communication is intended solely for the information and use of the honorable mayor, city council and management of City of Willow Park and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Worth, Texas
March 17, 2021



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' 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

Honorable Mayor and City Council
City of Willow Park
Willow Park, Texas

We have audited, in accordance with the 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Willow Park, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of Willow Park's basic financial statements, and have issued our report thereon dated March 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Willow Park's internal control over financial reporting (internal control) as a basis for designing audit 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 City of Willow Park's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Willow Park'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 City of Willow Park'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 City of Willow Park's response to findings

The City of Willow Park's response to the findings identified in our audit is described in the accompanying schedule of finding and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



CliftonLarsonAllen LLP

Fort Worth, Texas
March 17, 2021

CITY OF WILLOW PARK, TEXAS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2020

**CITY OF WILLOW PARK, TEXAS
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YEAR ENDED SEPTEMBER 30, 2020**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Willow Park, Texas
Willow Park, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Willow Park, Texas, (the City) as of and for the year ended September 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-11 and budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions and related ratios on pages 42-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


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

The combining nonmajor governmental funds financial statements 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 nonmajor governmental funds financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and City Council
City of Willow Park, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2021, 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 to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Worth, Texas
March 17, 2021

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**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

As management of the City of Willow Park, Texas, we offer readers of the City of Willow Park's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020 along with certain comparative information between the current year and the prior year.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Willow Park exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,778,468 (*net position*). Of this amount, \$3,788,892 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$778,747. The City's operations increased the governmental activities by \$225,392 and increased the business-type activities by \$553,355.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$946,084, or 20% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include administration, development services, municipal court, police, fire and rescue, public works parks and roads and tourism. The business-type activities of the City include water, wastewater, and solid waste.

**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Willow Park Fire and Rescue for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12-13 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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 and debt service fund, are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary funds. The City maintains one type of proprietary fund. The 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, wastewater, and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater funds, which are considered major funds. The Solid waste enterprise fund is considered nonmajor major fund for presentation.

**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21-41 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 42-45 of this report.

The combining nonmajor governmental funds statements are presented immediately following the required supplementary information. These statements can be found on pages 46-49 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,778,468 as of September 30, 2020.

The largest portion of the City's net position (55%) reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, vehicles, infrastructure, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

\$2,813,703 in restricted net position represents resources that are subject to external restrictions on how they may be used. The \$3,788,892 balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

The following is a summary of the City's Statement of Net Position.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 2,311,026	\$ 4,972,571	\$ 18,318,970	\$ 4,655,109	\$ 20,629,996	\$ 9,627,680
Capital Assets	16,128,303	15,237,885	12,554,617	12,178,865	28,682,920	27,416,750
Total Assets	18,439,329	20,210,456	30,873,587	16,833,974	49,312,916	37,044,430
Deferred Outflows of Resources	113,175	172,201	40,911	48,505	154,086	220,706
Long-Term Liabilities	15,139,948	16,319,545	18,860,695	5,425,554	34,000,643	21,745,099
Other Liabilities	220,169	1,139,760	352,629	325,000	572,798	1,464,760
Total Liabilities	15,360,117	17,459,305	19,213,324	5,750,554	34,573,441	23,209,859
Deferred Inflows of Resources	97,645	54,002	17,448	1,554	115,093	55,556
Net Position:						
Invested in Capital Assets						
Net of Related Debt	1,366,024	342,066	6,809,849	6,838,866	8,175,873	7,180,932
Restricted	911,428	1,027,157	1,902,275	1,446,239	2,813,703	2,473,396
Unrestricted	817,290	1,500,127	2,971,602	2,845,266	3,788,892	4,345,393
Total Net Position	\$ 3,094,742	\$ 2,869,350	\$ 11,683,726	\$ 11,130,371	\$ 14,778,468	\$ 13,999,721

Governmental activities. Governmental activities increased the City's net position by \$225,392 in the current year. Total governmental activities revenues increased \$1,099,030 (22%) to \$6,011,931. Total expenses increased \$891,420 (17%) to \$6,037,252 due primarily to several increased costs in the fire and rescue, police, and general government functions during the current fiscal year.

Business-type activities. Business-type activities increased the City's net position by \$553,355. Total business-type activities revenues increased \$286,481 (8%) to \$3,728,471. Expenses increased by \$417,256 primarily due to the dry summer conditions leading to more water having to be purchased than in the prior year.

**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

The following is a summary of the City's Statement of Activities.

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 843,307	\$ 564,507	\$ 3,703,401	\$ 3,333,120	\$ 4,546,708	\$ 3,897,627
Operating Grants and Contributions	39,664	33,447	-	-	39,664	33,447
General Revenues:						
Property Taxes	3,050,245	2,629,388	-	-	3,050,245	2,629,388
Sales Taxes	1,280,021	1,150,147	-	-	1,280,021	1,150,147
Franchise Taxes	374,099	384,572	-	-	374,099	384,572
Hotel Occupancy Taxes	5,043	5,031	-	-	5,043	5,031
Investment Earnings	32,857	134,616	25,070	89,300	57,927	223,916
Loss on Sale of Capital Assets	-	(23,701)	-	-	-	(23,701)
Other Revenue	386,695	34,894	-	19,570	386,695	54,464
Total Revenues	6,011,931	4,912,901	3,728,471	3,441,990	9,740,402	8,354,891
Expenses:						
Administration	602,695	501,630	-	-	602,695	501,630
Development Services	455,251	375,944	-	-	455,251	375,944
Legislative	198,218	213,352	-	-	198,218	213,352
Municipal Court	191,964	166,396	-	-	191,964	166,396
Police	1,379,019	1,114,541	-	-	1,379,019	1,114,541
Fire and Rescue	1,401,421	1,242,509	-	-	1,401,421	1,242,509
Public Works, Parks, and Roads	1,121,842	1,195,888	-	-	1,121,842	1,195,888
Interest on Long-Term Debt	686,842	335,572	-	-	686,842	335,572
Water	-	-	1,717,986	1,248,630	1,717,986	1,248,630
Wastewater	-	-	947,548	1,011,058	947,548	1,011,058
Solid Waste	-	-	258,869	247,459	258,869	247,459
Total Expenses	6,037,252	5,145,832	2,924,403	2,507,147	8,961,655	7,652,979
Increase (Decrease) in Net Position Before Transfers	(25,321)	(232,931)	804,068	934,843	778,747	701,912
Transfers	250,713	(57,047)	(250,713)	57,047	-	-
Increase (Decrease) in Net Position	225,392	(289,978)	553,355	991,890	778,747	701,912
Net Position Beginning of Year	2,869,350	3,159,328	11,130,371	10,138,481	13,999,721	13,297,809
Net Position End of Year	\$ 3,094,742	\$ 2,869,350	\$ 11,683,726	\$ 11,130,371	\$ 14,778,468	\$ 13,999,721

**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds 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 a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$946,084. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 20% of the total general fund expenditures. Fund balance of the general fund increased by -\$353,791.

The debt service fund has a total fund balance of \$165,224, all of which is restricted for the payment of debt service.

Other governmental funds consist of special revenue funds and other capital projects funds. The combined fund balance of these was \$179,335 and \$517,434, respectively. A detailed combining balance sheet and statement of revenues, expenditures, and changes in fund balance can be found on pages 46-49 of this report.

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

The City's water fund, wastewater fund and solid waste fund are enterprise funds that comprise the City's proprietary funds. Unrestricted net position of the water fund, wastewater fund and solid waste fund at the end of the year amounted to \$3,637,973, -\$892,667, and \$226,296, respectively. The total change in net position for the three funds was \$929,962, -\$174,988, and -\$201,619, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The general fund budget was not amended during the year.

During the year, actual revenues were \$726,666 more than budgeted primarily due to greater than anticipated sales tax collections and licenses and permit revenues. Actual expenditures were \$826,828 more than budgeted; however, this is mostly due to additional expenditures incurred related to development and public works and debt service and miscellaneous expenditures being unbudgeted. See page 42 of this report for the general fund budget to actual comparison.

**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2020, amounts to \$28,682,920 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, vehicles, infrastructure and water and wastewater systems.

**The City of Willow Park's Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 126,027	\$ 126,027	\$ 383,897	\$ 383,897	\$ 509,924	\$ 509,924
Construction In Progress	54,446	8,798,447	494,223	-	548,669	8,798,447
Buildings and Improvements	5,723,614	353,538	47,572	49,548	5,771,186	403,086
Furniture and Equipment	631,022	414,054	381,954	437,459	1,012,976	851,513
Vehicles	1,933,146	2,303,437	150,460	192,691	2,083,606	2,496,128
Infrastructure	7,660,048	3,242,382	-	-	7,660,048	3,242,382
Water System	-	-	6,863,505	9,320,225	6,863,505	9,320,225
Wastewater System	-	-	4,233,006	1,795,045	4,233,006	1,795,045
Total	<u>\$ 16,128,303</u>	<u>\$ 15,237,885</u>	<u>\$ 12,554,617</u>	<u>\$ 12,178,865</u>	<u>\$ 28,682,920</u>	<u>\$ 27,416,750</u>

Additional information on the City's capital assets can be found in the notes to the financial statements.

Long-Term Debt

At year-end, the City had \$32,852,268 in bonds and leases outstanding. \$29,417,759 are general obligation bonds that are backed by the full faith and credit of the City. \$907,240 are certificates of obligation secured by surplus revenues of the water and wastewater fund and ad valorem taxes. The City also had \$2,527,269 in capital leases outstanding.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Capital Leases	\$ 2,384,624	\$ 946,077	\$ 142,645	\$ 97,742	\$ 2,527,269	\$ 1,043,819
General Obligation Bonds	11,185,000	10,310,000	18,232,759	705,000	29,417,759	11,015,000
Certificates of Obligation	527,240	687,319	380,000	4,692,680	907,240	5,379,999
Total	<u>\$ 14,096,864</u>	<u>\$ 11,943,396</u>	<u>\$ 18,755,404</u>	<u>\$ 5,495,422</u>	<u>\$ 32,852,268</u>	<u>\$ 17,438,818</u>

More detailed information about the City's debt is presented in the notes to the financial statements.

**CITY OF WILLOW PARK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2020**

Economic Factors and the Next Year's Budgets and Rates

For fiscal year 2020-21, the City's steady commercial and residential growth will insure the increase of ad valorem tax revenues and sales tax revenues. Newly completed single-family homes and retail construction have been completed as well as other projects underway are continuing to improve the tax base for Willow Park.

Development has continued on the biggest and most dynamic project ever planned for Willow Park, the Wilks Development. This Tax Increment Financing Zone (TIRZ) project will include retail, residential, entertainment, and recreational facilities that will be financed by the development's incremental tax value increase.

During fiscal year 2020-21 the City will consider the implementation of a Municipal Drainage Utility System.

Request for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 516 Ranch House Road, Willow Park, Texas 76087.

BASIC FINANCIAL STATEMENTS

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CITY OF WILLOW PARK, TEXAS
GOVERNMENT WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Willow Park Fire and Rescue
ASSETS				
Cash and Cash Equivalents	\$ 1,560,363	\$ 17,283,377	\$ 18,843,740	\$ 27,347
Certificate of Deposit	-	-	-	-
Receivables (Net of Allowances for Uncollectibles):				
Property Taxes	30,364	-	30,364	-
Sales Taxes	229,759	-	229,759	-
Franchise Taxes	13,857	-	13,857	-
Accounts	-	450,001	450,001	-
Miscellaneous	168,388	-	168,388	-
Restricted Assets:				
Cash and Investments	179,815	-	179,815	-
Certificates of Deposit	128,480	106,511	234,991	-
Due from Other Governments	-	479,081	-	-
Internal Balance	-	-	-	-
Capital Assets:				
Nondepreciable	180,473	878,120	1,058,593	-
Depreciable, Net of Accumulated Depreciation	15,947,830	11,676,497	27,624,327	-
Total Assets	<u>18,439,329</u>	<u>30,873,587</u>	<u>49,312,916</u>	<u>27,347</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	113,175	40,911	154,086	-
Total Deferred Outflows of Resources	<u>113,175</u>	<u>40,911</u>	<u>154,086</u>	<u>-</u>
LIABILITIES				
Accounts Payable	85,080	52,546	137,626	-
Payroll Liabilities	33,551	9,368	42,919	-
Court Bonds Payable	6,050	-	6,050	-
Current Liabilities Payable from				
Restricted Assets:				
Interest Payable	95,488	92,615	188,103	-
Customer Deposits	-	198,100	198,100	-
Noncurrent Liabilities:				
Net Pension Liability	143,036	51,704	194,740	-
Due Within One Year	1,116,594	971,502	2,088,096	-
Due in More Than One Year	13,880,318	17,837,489	31,717,807	-
Due to Other Governments	-	-	-	-
Total Liabilities	<u>15,360,117</u>	<u>19,213,324</u>	<u>34,573,441</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	48,268	17,448	65,716	-
Deferred Inflows Related to Franchise Taxes	49,377	-	49,377	-
Total Deferred Inflows of Resources	<u>97,645</u>	<u>17,448</u>	<u>115,093</u>	<u>-</u>
NET POSITION				
Net Investments in Capital Assets	1,366,024	6,809,849	8,175,873	-
Restricted:				
Debt Service	79,323	-	79,323	-
Police	9,630	-	9,630	-
First Responder	13,130	-	13,130	-
Tourism	68,598	-	68,598	-
Impact Fees	-	1,902,275	1,902,275	-
Court Security and Technology	87,977	-	87,977	-
Public Educational Governmental Fees	135,336	-	135,336	-
TIRZ	1,878	-	1,878	-
Construction Projects	80,309	-	80,309	-
TexSTAR Parks and Recreation	435,247	-	435,247	-
Unrestricted Net Position	<u>817,290</u>	<u>2,971,602</u>	<u>3,788,892</u>	<u>27,347</u>
Total Net Position	<u>\$ 3,094,742</u>	<u>\$ 11,683,726</u>	<u>\$ 14,778,468</u>	<u>\$ 27,347</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WILLOW PARK, TEXAS
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Willow Park Fire and Rescue
PRIMARY GOVERNMENT								
Governmental Activities:								
Administration	602,695	\$ -	\$ -	\$ -	\$ (602,695)	\$ -	\$ (602,695)	\$ -
Development Services	455,251	709,424	-	-	254,173	-	254,173	-
Legislative	198,218	-	-	-	(198,218)	-	(198,218)	-
Municipal Court	191,964	133,883	-	-	(58,081)	-	(58,081)	-
Police	1,379,019	-	2,825	-	(1,376,194)	-	(1,376,194)	-
Fire and Rescue	1,401,421	-	36,441	-	(1,364,980)	-	(1,364,980)	-
Public Works, Parks, and Roads	1,121,842	-	398	-	(1,121,444)	-	(1,121,444)	-
Interest on Long-Term Debt	686,842	-	-	-	(686,842)	-	(686,842)	-
Total Governmental Activities	6,037,252	843,307	39,664	-	(5,154,281)	-	(5,154,281)	-
Business-Type Activities:								
Water	1,717,986	2,633,026	-	-	-	915,040	915,040	-
Wastewater	947,548	765,141	-	-	-	(182,407)	(182,407)	-
Solid Waste	258,869	305,234	-	-	-	46,365	46,365	-
Total Business-Type Activities	2,924,403	3,703,401	-	-	-	778,998	778,998	-
Total Primary Government	\$ 8,961,655	\$ 4,546,708	\$ 39,664	\$ -	(5,154,281)	778,998	(4,375,283)	-
COMPONENT UNIT								
Fire and Rescue	\$ -	\$ -	\$ -	\$ -				-
GENERAL REVENUES								
Taxes:								
Property Taxes, Levied for General Purposes					1,579,675	-	1,579,675	-
Property Taxes, Levied for Debt Service					1,325,440	-	1,325,440	-
Property Taxes, Levied for TIRZ					145,130	-	145,130	-
Sales and Use					1,280,021	-	1,280,021	-
Franchise					374,099	-	374,099	-
Hotel Occupancy Tax					5,043	-	5,043	-
Investment Earnings					32,857	25,070	57,927	8
Gain (Loss) on Sale of Capital Assets					-	-	-	-
Other Revenue					386,695	-	386,695	-
Transfers					250,713	(250,713)	-	-
Total General Revenues and Transfers					5,379,673	(225,643)	5,154,030	8
CHANGE IN NET POSITION					225,392	553,355	778,747	8
Net Position - Beginning of Year					2,869,350	11,130,371	13,999,721	27,339
NET POSITION - END OF YEAR					\$ 3,094,742	\$ 11,683,726	\$ 14,778,468	\$ 27,347

See accompanying Notes to Basic Financial Statements.

**CITY OF WILLOW PARK, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

ASSETS	<u>General</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 876,668	\$ 162,853	\$ 700,657	\$ 1,740,178
Certificates of Deposit	128,480	-	-	128,480
Receivables (Net of Allowances for Uncollectibles)				
Property Taxes	18,406	11,958	-	30,364
Sales Taxes	229,759	-	-	229,759
Franchise Taxes	13,857	-	-	13,857
Court	168,388	-	-	168,388
	<u>1,435,558</u>	<u>174,811</u>	<u>700,657</u>	<u>2,311,026</u>
Total Assets	<u>\$ 1,435,558</u>	<u>\$ 174,811</u>	<u>\$ 700,657</u>	<u>\$ 2,311,026</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 81,192	\$ -	\$ 3,888	\$ 85,080
Payroll Liabilities	33,551	-	-	33,551
Court Bonds Escrow	6,050	-	-	6,050
Total Liabilities	<u>120,793</u>	<u>-</u>	<u>3,888</u>	<u>124,681</u>
 DEFERRED INFLOWS OF RESOURCES				
Franchise Taxes	49,377	-	-	49,377
Court Fines	168,388	-	-	168,388
Property Taxes	15,580	9,587	-	25,167
Total Deferred Inflows of Resources	<u>233,345</u>	<u>9,587</u>	<u>-</u>	<u>242,932</u>
 FUND BALANCES				
Restricted	135,336	165,224	696,769	997,329
Unassigned	946,084	-	-	946,084
Total Fund Balances	<u>1,081,420</u>	<u>165,224</u>	<u>696,769</u>	<u>1,943,413</u>
	<u>\$ 1,435,558</u>	<u>\$ 174,811</u>	<u>\$ 700,657</u>	<u>\$ 2,311,026</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,435,558</u>	<u>\$ 174,811</u>	<u>\$ 700,657</u>	<u>\$ 2,311,026</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF WILLOW PARK, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total Fund Balances - Governmental Funds	\$	1,943,413
<p>Capital assets used in governmental activities are not financial resources and, therefore, are reported in the governmental funds. The cost of these assets was \$21,455,817 and the accumulated depreciation was \$5,327,514.</p>		
		16,128,303
<p>Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. The details of these differences are as follows:</p>		
Interest Payable	\$ (95,488)	
General Obligation Bonds	(11,185,000)	
Certificate of Obligation Bonds	(527,240)	
Premium on Bonds	(665,414)	
Capital Leases	(2,384,624)	
Compensated Absences	<u>(234,634)</u>	
		(15,092,400)
<p>Certain receivables are not available soon enough to pay for the current period's expenditures and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. The details of these differences are as follows:</p>		
Property Taxes	25,167	
Court Fines	<u>168,388</u>	
		193,555
<p>Included in the items related to noncurrent liabilities is the recognition of the City's net pension liability in the amount of \$143,036, a deferred outflow of resources related to pensions of \$113,175 and a deferred inflow of resources related to pensions of \$48,268. This resulted in a decrease to net pension.</p>		
		<u>(78,129)</u>
Net Position of Governmental Activities	\$	<u><u>3,094,742</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF WILLOW PARK, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 1,579,675	\$ 1,325,978	\$ -	\$ 2,905,653
Sales and Use	1,280,021	-	-	1,280,021
Franchise	374,099	-	-	374,099
Hotel Occupancy Tax	-	-	5,043	5,043
TIRZ	-	-	145,130	145,130
Court Fines and Fees	125,688	-	8,195	133,883
Licenses and Permits	709,424	-	-	709,424
Investment Earnings	14,508	4,264	14,085	32,857
Intergovernmental	1,352	-	-	1,352
Contributions	3,724	-	34,588	38,312
Other Revenue	5,292	-	-	5,292
Total Revenues	<u>4,093,783</u>	<u>1,330,242</u>	<u>207,041</u>	<u>5,631,066</u>
EXPENDITURES				
Current:				
Administration	460,193	-	41,225	501,418
Development Services	439,630	-	148,000	587,630
Legislative	196,561	-	-	196,561
Municipal Court	182,861	-	7,844	190,705
Police	1,226,316	6,862	-	1,233,178
Fire and Rescue	1,070,992	-	6,967	1,077,959
Public Works, Parks, and Roads	477,466	-	-	477,466
Miscellaneous Expenses	550,713	-	-	550,713
Capital Outlay	2,767	-	1,240,245	1,243,012
Debt Service:				
Principal	106,045	1,100,000	-	1,206,045
Interest and Fiscal Charges	-	403,450	-	403,450
Total Expenditures	<u>4,713,544</u>	<u>1,510,312</u>	<u>1,444,281</u>	<u>7,668,137</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(619,761)	(180,070)	(1,237,240)	(2,037,071)
OTHER FINANCING SOURCES (USES)				
Transfers In	267,639	-	10,000	277,639
Transfers Out	(10,000)	-	(16,926)	(26,926)
Proceeds from Sale of Capital Assets	8,331	-	-	8,331
Total Other Financing Sources (Uses)	<u>265,970</u>	<u>-</u>	<u>(6,926)</u>	<u>259,044</u>
NET CHANGE IN FUND BALANCES	(353,791)	(180,070)	(1,244,166)	(1,778,027)
Fund Balance - Beginning of Year	<u>1,435,211</u>	<u>345,294</u>	<u>1,940,935</u>	<u>3,721,440</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,081,420</u>	<u>\$ 165,224</u>	<u>\$ 696,769</u>	<u>\$ 1,943,413</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WILLOW PARK, TEXAS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

Total Net Change in Funds Balances - Governmental Funds \$ (1,778,027)

Governmental funds report capital outlays as expenditures and proceeds from the sale of capital assets as revenues. However in the statement of activities, assets are capitalized and the costs are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period

Capital Outlays	\$ 1,678,853	
Depreciation Expense	<u>(788,435)</u>	890,418

Current year capital leases are other financing sources in the fund financial statements, while principal payments are reported as expenditures. The net effect of new capital leases and the repayment of existing capital leases

New Capital Leases	-	
Repayment of Capital Leases	<u>195,673</u>	195,673

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Changes in these balances are reported as expenses in the governmental activities of the Statement of Activities.

Bonds Payable	870,000	
Certificates of Obligation	80,030	
Interest Payable	35,718	
Premium on Bonds	47,580	
Compensated Absences	<u>(121,885)</u>	911,443

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

(538)

The City recognized their net pension liability, deferred resource outflow related to pensions, and deferred resource inflow related to pensions. The changes in these balances decreased net position.

6,423

Change in Net Position of Governmental Activities

\$ 225,392

CITY OF WILLOW PARK, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 15,985,654	\$ 1,085,883	\$ 211,840	\$ 17,283,377
Receivables (Net of Allowances for Uncollectibles):				
Accounts Receivable	333,653	78,172	38,176	450,001
Due From Other Governments	479,081	-	-	479,081
Restricted Assets:				
Certificates of Deposit	106,511	-	-	106,511
Total Current Assets	<u>16,904,899</u>	<u>1,164,055</u>	<u>250,016</u>	<u>18,318,970</u>
Noncurrent Assets:				
Advances to Other Funds	1,453,535	-	-	1,453,535
Capital Assets, at Cost:				
Nondepreciable Capital Assets	765,620	112,500	-	878,120
Depreciable Capital Assets	12,681,979	5,618,299	-	18,300,278
Less: Accumulated Depreciation	<u>(4,766,025)</u>	<u>(1,857,756)</u>	<u>-</u>	<u>(6,623,781)</u>
Capital Assets, Net	<u>8,681,574</u>	<u>3,873,043</u>	<u>-</u>	<u>12,554,617</u>
Total Noncurrent Assets	<u>10,135,109</u>	<u>3,873,043</u>	<u>-</u>	<u>14,008,152</u>
Total Assets	27,040,008	5,037,098	250,016	32,327,122
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	36,644	4,267	-	40,911
LIABILITIES				
Current Liabilities:				
Accounts Payable	17,600	11,226	23,720	52,546
Payroll Liabilities	9,266	102	-	9,368
Current Portion of Long-Term Liabilities	771,455	200,047	-	971,502
Current Liabilities Payable from Restricted Assets:				
Interest Payable	56,618	35,997	-	92,615
Customer Deposits Payable	198,100	-	-	198,100
Total Current Liabilities	<u>1,053,039</u>	<u>247,372</u>	<u>23,720</u>	<u>1,324,131</u>
Noncurrent Liabilities:				
Advances from Other Funds	-	1,453,535	-	1,453,535
Compensated Absences	29,863	-	-	29,863
Net Pension Liability	46,312	5,392	-	51,704
Capital Lease Payable	92,745	12,197	-	104,942
Bonds Payable	<u>15,172,684</u>	<u>2,530,000</u>	<u>-</u>	<u>17,702,684</u>
Total Noncurrent Liabilities	<u>15,341,604</u>	<u>4,001,124</u>	<u>-</u>	<u>19,342,728</u>
Total Liabilities	16,394,643	4,248,496	23,720	20,666,859
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	<u>15,628</u>	<u>1,820</u>	<u>-</u>	<u>17,448</u>
NET POSITION				
Net Investments in Capital Assets	5,679,050	1,130,799	-	6,809,849
Restricted Impact Fees	1,349,358	552,917	-	1,902,275
Unrestricted	<u>3,637,973</u>	<u>(892,667)</u>	<u>226,296</u>	<u>2,971,602</u>
Total Net Position	<u>\$ 10,666,381</u>	<u>\$ 791,049</u>	<u>\$ 226,296</u>	<u>\$ 11,683,726</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WILLOW PARK, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Totals</u>
Operating Revenues:				
Charges for Services	\$ 2,279,644	\$ 584,783	\$ 305,234	\$ 3,169,661
Impact Fees	283,678	172,358	-	456,036
Other Fees	69,704	8,000	-	77,704
Total Operating Revenues	<u>2,633,026</u>	<u>765,141</u>	<u>305,234</u>	<u>3,703,401</u>
Operating Expenses:				
Personnel	778,462	82,245	-	860,707
Supplies	167,131	32,187	-	199,318
Contractual Services	346,068	167,891	254,969	768,928
Utilities	111,933	59,253	-	171,186
Franchise Fees	98,020	28,553	-	126,573
Depreciation	106,117	464,764	-	570,881
Bad Debt Expense	26,685	8,520	3,900	39,105
Total Operating Expenses	<u>1,634,416</u>	<u>843,413</u>	<u>258,869</u>	<u>2,736,698</u>
OPERATING INCOME (LOSS)	998,610	(78,272)	46,365	966,703
Nonoperating Revenues (Expenses):				
Investment Earnings	14,922	7,419	2,729	25,070
Interest and Fiscal Agent Expense	(83,570)	(104,135)	-	(187,705)
Total Nonoperating Revenues (Expenses)	<u>(68,648)</u>	<u>(96,716)</u>	<u>2,729</u>	<u>(162,635)</u>
INCOME (LOSS) BEFORE TRANSFERS	929,962	(174,988)	49,094	804,068
Transfers:				
Transfers Out	-	-	(250,713)	(250,713)
CHANGE IN NET POSITION	929,962	(174,988)	(201,619)	553,355
Net Position - Beginning of Year	<u>9,736,419</u>	<u>966,037</u>	<u>427,915</u>	<u>11,130,371</u>
NET POSITION - END OF YEAR	<u>\$ 10,666,381</u>	<u>\$ 791,049</u>	<u>\$ 226,296</u>	<u>\$ 11,683,726</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WILLOW PARK, TEXAS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Water	Wastewater	Solid Waste	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,618,908	\$ 749,243	\$ 298,986	\$ 3,667,137
Cash Paid to Suppliers	(835,685)	(277,848)	(251,696)	(1,365,229)
Cash Paid to Employees	(758,840)	(82,658)	-	(841,498)
Net Cash Provided by Operating Activities	<u>1,024,383</u>	<u>388,737</u>	<u>47,290</u>	<u>1,460,410</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Long-Term Debt	13,484,675	(195,000)	-	13,289,675
Repayment of Capital Lease Obligations	(32,656)	189,953	-	157,297
Payments Made to Other Governments	(479,081)	-	-	(479,081)
Capital Asset Purchases	(925,786)	(20,847)	-	(946,633)
Transfers to Other Funds	-	-	(250,713)	(250,713)
Interest Paid on Long-Term Debt	(26,952)	(74,665)	-	(101,617)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>12,020,200</u>	<u>(100,559)</u>	<u>(250,713)</u>	<u>11,668,928</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Earnings	<u>14,922</u>	<u>7,419</u>	<u>2,729</u>	<u>25,070</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,059,505	295,597	(200,694)	13,154,408
Cash and Cash Equivalents - Beginning of Year	<u>3,032,660</u>	<u>790,286</u>	<u>412,534</u>	<u>4,235,480</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,092,165</u>	<u>\$ 1,085,883</u>	<u>\$ 211,840</u>	<u>\$ 17,389,888</u>
CASH AND CASH EQUIVALENTS	\$ 15,985,654	\$ 1,085,883	\$ 211,840	\$ 17,283,377
RESTRICTED CASH AND CASH EQUIVALENTS	<u>106,511</u>	<u>-</u>	<u>-</u>	<u>106,511</u>
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,092,165</u>	<u>\$ 1,085,883</u>	<u>\$ 211,840</u>	<u>\$ 17,389,888</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 998,610	\$ (78,272)	\$ 46,365	\$ 966,703
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	106,117	464,764	-	570,881
(Increase) Decrease in Assets:				
Accounts Receivable	(20,646)	(7,378)	(2,348)	(30,372)
Deferred Outflows	5,520	2,074	-	7,594
Increase (Decrease) in Liabilities:				
Accounts Payable	(85,848)	10,036	3,273	(72,539)
Payroll Liabilities	7,795	(243)	-	7,552
Customer Deposits	6,528	-	-	6,528
Net Pension liability	(15,204)	(3,861)	-	(19,065)
Compensated Absences Payable	7,234	-	-	7,234
Deferred Inflows	14,277	1,617	-	15,894
Total Adjustments	<u>25,773</u>	<u>467,009</u>	<u>925</u>	<u>493,707</u>
Net Cash Provided by Operating Activities:	<u>\$ 1,024,383</u>	<u>\$ 388,737</u>	<u>\$ 47,290</u>	<u>\$ 1,460,410</u>

See accompanying Notes to Basic Financial Statements.

CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Willow Park, Texas (the City) was formed as an incorporated City in 1963. The City is governed by an elected mayor and five-member council and provides the following services to the citizens of the City: administration, development services, municipal court, police, fire and rescue, public works, water, wastewater, and solid waste.

As required by generally accepted accounting principles, these financial statements present the City and its component unit. Component units are legally separate entities for which the City is considered financially accountable or other organizations whose nature and significant relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. Based on these considerations, the Willow Park Fire and Rescue has been included in the City's reporting entity as a component unit.

Discretely Presented Component Unit

The Willow Park Fire and Rescue is a 501(c)4 nonprofit organization responsible for providing support for fire and rescue services in the City. The organization is governed by a five-member board of directors that is not appointed by the City Council. The organization functions independently of the City however the City provides bookkeeping services for the organization. The organization facilitates volunteer services through grant and contribution funding and provides support to the City's fire department. Willow Park Fire and Rescue does not issue separate financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separately component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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.

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. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales and use 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. All other revenue items are considered to be measurable and available only when the government receives payment.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The City reports the following major proprietary funds:

The *water fund* accounts for the operation of the water system.

The *wastewater fund* accounts for the operation of the wastewater system.

The *solid waste fund* accounts for the operation of solid waste collection services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities, which cannot be eliminated.

Amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the 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.

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

Assets, Liabilities, and Net Position or Equity

1. *Cash and Cash Equivalents* – The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments that are highly liquid with maturity within three months or less when purchased.

2. *Receivables and Payables* – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. Enterprise funds accounts receivable aged 90 days or more comprise the allowance for uncollectible accounts of \$258,942. The municipal court receivable allowance of \$1,459,984 is equal to 90% of the outstanding balance at September 30, 2020.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

3. *Unbilled Service* – Utility operating revenues (water, wastewater, and solid waste) are billed on monthly cycles. The City records estimated revenues for services delivered during the fiscal year, which will be billed during the next fiscal year. Unbilled service reported in accounts receivable of the enterprise funds was \$135,399 at September 30, 2020.
4. *Capital Assets* – Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds' financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the primary government and component unit are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 to 40 Years
Furniture and Equipment	5 to 10 Years
Vehicles	5 Years
Infrastructure	20 Years
Water and Wastewater Systems	25 to 40 Years

5. *Compensated Absences* – It is the City's policy to permit employees to accumulate earned but unused compensatory time, vacation leave, sick leave, and holiday time benefits. Nonexempt employees may earn compensatory time in lieu of being paid overtime. Employees may carry over 120 hours of compensatory time and upon separation from employment will be paid for the time at their hourly rate at the time of termination. Employees may carry over a maximum of 240 hours of vacation leave and upon termination will be paid for vacation time up to 240 hours at their hourly rate at the time of termination. Employees may carry over a maximum of 480 hours of sick leave, however, upon termination, resignation or other separation from employment, no payment will be made for unused sick leave. Police employees may accrue holiday time when they work on a holiday up to a maximum of 104 hours each year. Upon termination, resignation or other separation from employment, no payment will be made for unused holiday time. A liability for the accrued compensatory time and vacation leave amounts are reported in the government-wide and proprietary fund financial statements but in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

6. *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' 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.
7. *Long-Term Obligations* – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

8. *Fund Balance - Governmental Funds* – In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form (such as prepaid expenses or inventory) or are legally or contractually required to be maintained intact (such as endowment funds).

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts constrained to specific purposes by a government itself, using its highest decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint (City Council ordinance).

Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The Authority has been delegated to the City CFO and City Manager.

Unassigned – All amounts not included in other spendable classifications.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

8. *Fund Balance - Governmental Funds (Continued)*

The details of the fund balances of the governmental funds are as follows:

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Restricted:				
Debt Service	\$ -	\$ 165,224	\$ -	\$ 165,224
Construction	-	-	80,309	80,309
Court Security and Tech	-	-	87,977	87,977
Police	-	-	9,630	9,630
First Responder	-	-	13,130	13,130
Tourism	-	-	68,598	68,598
Public Educational				
Governmental Fees	135,336	-	-	135,336
TIRZ	-	-	1,878	1,878
TexSTAR Parks and Recreation	-	-	435,247	435,247
Unassigned	946,084	-	-	946,084
Total	<u>\$ 1,081,420</u>	<u>\$ 165,224</u>	<u>\$ 696,769</u>	<u>\$ 1,943,413</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted fund balance to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

The City Council adopted a minimum fund balance policy for the general fund. The policy requires the City to strive to maintain an unassigned fund balance in the general fund of 75 days of annual budgeted expenditures. At the end of the year, the unassigned fund balance of \$946,084 was \$22,452 below the minimum fund balance requirement of \$968,536.

9. *Net Position* – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

10. *Use of 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance. At September 30, 2020, the City's deposits were covered by FDIC Insurance or collateralized with securities held by the bank's agent in the City's name.

Investments

The Texas Public Funds Investment Act authorizes the government to invest in obligations of the U.S. Treasury, obligations of states, agencies, counties, cities and other political subdivisions, secured certificates of deposit, repurchase agreements, bankers' acceptance, commercial paper, mutual funds, guaranteed investment contracts and investment pools. Investments are state at fair value except for short-term highly liquid investments which are stated at cost or amortized cost. During the year ended September 30, 2020, the City did not own any types of securities other than those permitted by statute.

The City invests idle funds in the Texas Short-Term Asset Reserve Fund (TexSTAR). TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investment pool is stated at amortized cost, which in most cases approximates the market value of the securities. The objective of the pool is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is not guaranteed or insured by the state of Texas. An advisory board composed of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR has been established and maintained.

Credit Risk – Investments

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, is AAA. The actual rating as of September 30, 2020 for TexSTAR was AAAM. The certificates of deposit are unrated.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2020 other than external investment pools and certificates of deposit, the City did not have 5% or more of its investments with one issuer.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transactions, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. At September 30, 2020, the carrying amount of the City’s cash on hand and deposits were \$16,719,375 and the bank balance was \$16,988,935. At September 30, 2020, all cash was fully collateralized.

Investment in State Investment Pools

The City is a voluntary participant in the TexSTAR external investment pool. The State Comptroller of Public Accounts exercises responsibility over TexSTAR. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexSTAR and other persons who do not have a business relationship with TexSTAR. TexSTAR uses net asset value rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexSTAR is the same as the value of TexSTAR shares. The City, at its option, can withdraw funds within a 24-hour period from TexSTAR.

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages its risk of market price changes by avoiding over-concentration of assets in specific maturity sectors, limitation of average maturity of operating funds investments to one year, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and insured or collateralized certificates of deposit. As of September 30, 2020, the City was not invested in any securities which are highly sensitive to interest rate fluctuation.

The City’s investments at September 30, 2020 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Weighted Average Maturities</u>	<u>Percentage of Total Investments</u>	<u>Cost</u>	<u>Fair Value</u>
TexSTAR Pool	AAAm	28 Days	100.00%	<u>\$ 2,535,783</u>	<u>\$ 2,535,783</u>

The City’s investments are included with cash and cash equivalents in the financial statements.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Restricted Assets

The following cash and cash equivalents and certificates of deposit in the governmental and enterprise funds are restricted for the following purposes:

Customer Deposits	\$ 106,511
2003 Bond Funds	162,853
Police Contributions	444
First Responder Donations	13,130
Total	\$ 282,938

NOTE 3 PROPERTY TAX

The City's property tax is levied (assessed) each October 1, on the assessed value listed as of the prior January 1, for all real property and personal property located in the City. The appraisal property within the City is the responsibility of a countywide appraisal district as required by legislation passed by the Texas Legislature. The appraisal district is required under such legislation to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the government may, at its own expense require annual reviews of appraised values. The government may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

Taxes are billed and due on October 1 each year. The last date for payment without penalty is the following January 31. Delinquent penalties are added on February 1. Liens attach to the properties on the February 1 following levy date. Parker County Appraisal District bills and collects the property taxes for the City.

In the governmental funds the City's property tax revenues are recognized when levied to the extent that they result in current receivables available for financing current operations. The remaining receivables are reflected in deferred inflows of resources.

NOTE 4 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows related to pensions reported in the government-wide statement of net position and proprietary funds statement of net position.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 4 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

In addition to liabilities, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 resource (revenue) until that time. The City has three types of items in this category: unavailable revenues for the governmental funds, revenues received in advance of the period they are for in the governmental funds, and deferred inflows related to pensions in the government-wide statement of net position and proprietary funds statements. At the end of the fiscal year, the various components of deferred inflows of in the governmental funds were as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Property Taxes Receivable	\$ 15,580	\$ 9,587	\$ 25,167
Court Fines and Fees Receivable	168,388	-	168,388
Franchise Taxes Received in Advance	49,377	-	49,377
Total Deferred Inflows	<u>\$ 233,345</u>	<u>\$ 9,587</u>	<u>\$ 242,932</u>

NOTE 5 INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2020 is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Solid Waste	\$ 250,713	Capital Projects
General	TexStar Parks and Recreation	16,926	Capital Projects
Roads Capital Projects	General	10,000	Operations
Total Governmental Funds Transfers In		<u>\$ 277,639</u>	

The composition of interfund advances for the City's individual major funds and nonmajor funds at September 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Fund	Wastewater	<u>\$ 1,453,535</u>

The water fund loaned the wastewater fund for lift station improvements and working capital. The loan is scheduled to be repaid in annual installments over 20 years at 0.0% interest through September 30, 2035, however a loan repayment was not made during the 2020 fiscal year.

CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
<u>Governmental Activities</u>					
Nondepreciable Assets:					
Land	\$ 126,027	\$ -	\$ -	\$ -	\$ 126,027
Construction in Progress	8,798,447	1,404,004	(10,148,005)	-	54,446
Total Nondepreciable Assets	8,924,474	1,404,004	(10,148,005)	-	180,473
Depreciable Assets:					
Buildings and Improvements	586,253	5,425,185	-	-	6,011,438
Furniture and Equipment	874,080	274,848	(53,889)	-	1,095,039
Vehicles	3,478,288	-	-	-	3,478,288
Infrastructure	5,967,758	4,722,821	-	-	10,690,579
Total Capital Assets Being Depreciated	10,906,379	10,422,854	(53,889)	-	21,275,344
Accumulated Depreciation:					
Buildings and Improvements	232,715	55,109	-	-	287,824
Furniture and Equipment	460,026	57,880	(53,889)	-	464,017
Vehicles	1,174,851	370,291	-	-	1,545,142
Infrastructure	2,725,376	305,155	-	-	3,030,531
Total Accumulated Depreciation	4,592,968	788,435	(53,889)	-	5,327,514
Governmental Activities Capital Assets, Net	<u>\$ 15,237,885</u>	<u>\$ 11,038,423</u>	<u>\$ (10,148,005)</u>	<u>\$ -</u>	<u>\$ 16,128,303</u>

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
<u>Business-Type Activities</u>					
Nondepreciable Assets:					
Land	\$ 383,897	\$ -	\$ -	\$ -	\$ 383,897
Construction in Progress	-	494,223	-	-	494,223
Total Nondepreciable Assets	383,897	494,223	-	-	878,120
Depreciable Assets:					
Buildings and Improvements	79,050	-	-	-	79,050
Furniture and Equipment	830,562	11,569	-	-	842,131
Vehicles	452,990	-	-	-	452,990
Water System	13,567,403	419,994	-	(2,614,760)	11,372,637
Wastewater System	2,917,863	20,847	-	2,614,760	5,553,470
Total Capital Assets Being Depreciated	17,847,868	452,410	-	-	18,300,278
Accumulated Depreciation:					
Buildings and Improvements	29,502	1,976	-	-	31,478
Furniture and Equipment	393,103	67,074	-	-	460,177
Vehicles	260,299	42,231	-	-	302,530
Water System	4,247,178	261,954	-	-	4,509,132
Wastewater System	1,122,818	197,646	-	-	1,320,464
Total Accumulated Depreciation	6,052,900	570,881	-	-	6,623,781
Business-Type Activities Capital Assets, Net	<u>\$ 12,178,865</u>	<u>\$ 375,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,554,617</u>

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Administration	\$ 28,703
Police	105,020
Fire and Rescue	272,559
Public Works, Parks, and Roads	<u>382,153</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 788,435</u>
Business-Type Activities:	
Water	\$ 106,117
Wastewater	<u>464,764</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 570,881</u>

NOTE 7 LONG-TERM LIABILITIES

Capital Leases Payable

Governmental Activities

In October 2014, the City refinanced the lease for the Willow Park Fire and Rescue fire truck for \$202,870. The lease is due in annual installments of \$31,918 including interest at 2.981% through February 15, 2021.

In February 2014, the City acquired a Chevy Tahoe for the police department with a capital lease. The lease requires annual payments of \$4,443 including interest at 3.92% through February 28, 2022.

In February 2014, the City acquired a brush truck for the fire department and a 2015 Freightliner for the water department with a capital lease. The lease requires annual payments of \$27,524 including interest at 3.626% through February 29, 2024. This lease is split between the governmental activities and business-type activities.

In April 2017, the City acquired a pumper fire truck with a capital lease. The lease requires annual payments of \$48,292 including interest at 3.28% through April 21, 2027.

In August 2018, the City entered into a lease agreement with Enterprise for a fleet of vehicles for a total of \$412,648 through February 29, 2024.

In December 2018, the City acquired a Chassis Ladder Truck for \$1,499,005 with a capital lease. The lease requires annual payments of \$195,691.35 including interest at 4.29% through January 16, 2030.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable (Continued)

Governmental Activities (Continued)

Total capital assets acquired through capital leases were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Assets:		
Vehicles	\$ 2,942,407	\$ 265,105
Less: Accumulated Depreciation	743,661	125,165
Total	<u>\$ 2,198,746</u>	<u>\$ 139,940</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2021	\$ 397,222	\$ 40,148
2022	365,304	40,148
2023	360,862	40,148
2024	321,210	28,423
2025	235,504	-
2026-2030	1,271,331	-
Total Minimum Lease Payments	2,951,433	148,867
Less: Interest Portion	566,809	6,222
Obligations Under Capital Lease	<u>\$ 2,384,624</u>	<u>\$ 142,645</u>

Bonds Payable

General Obligation bonds are direct obligations and pledge the full faith and credit of the government. Certificates of obligation are secured by surplus revenues of the water and wastewater funds and ad valorem taxes. Bonds outstanding are as follows:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
\$2,665,000; 2010 Refunding bond due in annual installments through February 15, 2021 at interest rates ranging from 2.0% to 4.0%	\$ 70,000	\$ 75,000
\$5,135,000; 2012 Refunding bond due in annual installments through February 15, 2023 at interest rates ranging from 2.0% to 3.0%	1,455,000	305,000
\$685,000; 2014 Combination Tax and Revenue Certificates of Obligation due in annual installments through February 15, 2035 at interest rates ranging from 0.00% to 2.59%	-	535,000

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
\$1,380,000; 2015 Certificates of Obligation due in annual installments through February 15, 2031 at an interest rate of 2.14%	\$ 527,240	\$ 342,759
\$995,000; 2016 Combination Tax and Revenue Certificates of Obligation due in annual installment through February 15, 2037 at interest rates ranging from 0.04% to 1/62%	-	860,000
\$6,330,000; 2016 General Obligation Bonds due in annual installments through February 15, 2046 at interest rates ranging from 3.0% to 4.0%	6,330,000	-
\$2,725,000; 2017 Combination Tax and Revenue Certificates of Obligation due in annual installments through February 15, 2032 at an interest rate of 2.74%	-	2,725,000
\$640,000; 2018 Tax Notes due in annual installments through February 15, 2025 at an interest rate of 2.76%	425,000	-
\$875,000; 2018 Tax Notes due in annual installments through February 15, 2025 at an interest rate of 2.81%	745,000	-
\$2,365,000; 2019 Tax Notes due in annual installments through February 15, 2026 at an interest rate of 2.15%	2,160,000	-
\$13,770,000; 2019 Certificate of Obligation due in annual installments through February 2050 at an interest rate of 0.56%	-	13,770,000
Bond Premiums	665,414	23,724
Total	<u>\$ 12,377,654</u>	<u>\$ 18,636,483</u>

CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

The annual debt service requirements to maturity for bonds outstanding as of September 30, 2020 are as follows:

Certificates of Obligation Due Fiscal Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 80,011	\$ 11,558	\$ 91,569	\$ 744,989	\$ 171,188	\$ 916,177
2022	83,685	9,850	93,535	751,315	164,554	915,869
2023	86,417	7,966	94,383	763,583	157,702	921,285
2024	38,538	5,868	44,406	756,460	151,368	907,828
2025	38,532	5,043	43,575	761,468	144,139	905,607
2026-2030	165,059	4,217	169,276	3,924,942	599,232	4,524,174
2031-2035	34,998	12,715	47,713	3,240,002	379,433	3,619,435
2036-2040	-	34,998	34,998	2,405,000	270,305	2,675,305
2041-2045	-	-	-	4,885,000	253,209	5,138,209
Total	\$ 527,240	\$ 92,216	\$ 619,456	\$ 18,232,759	\$ 2,291,130	\$ 20,523,889

General Obligation Bonds Due Fiscal Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 750,000	\$ 346,276	1,096,276	\$ 175,000	\$ 9,150	\$ 184,150
2022	870,000	323,002	1,193,002	100,000	4,650	104,650
2023	935,000	297,815	1,232,815	105,000	1,575	106,575
2024	1,045,000	269,738	1,314,738	-	-	-
2025	1,110,000	238,612	1,348,612	-	-	-
2026-2030	2,780,000	844,908	3,624,908	-	-	-
2031-2035	1,155,000	496,700	1,651,700	-	-	-
2036-2040	1,050,000	308,400	1,358,400	-	-	-
2037-2041	1,490,000	138,300	1,628,300	-	-	-
Total	\$ 11,185,000	\$ 3,263,751	\$ 14,448,751	\$ 380,000	\$ 15,375	\$ 395,375

Changes in Long-Term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 12,055,000	\$ -	\$ 870,000	\$ 11,185,000	\$ 750,000
Certificates of Obligation Bonds	607,270	-	80,030	527,240	80,011
Bond Premiums	712,994	-	47,580	665,414	47,580
Total Bonds Payable	13,375,264	-	997,610	12,377,654	877,591
Capital Leases	2,580,297	-	195,673	2,384,624	239,003
Compensated Absences	112,749	121,885	-	234,634	-
Total Governmental Activities	\$ 16,068,310	\$ 121,885	\$ 1,193,283	\$ 14,996,912	\$ 1,116,594
Business-Type Activities:					
Certificates of Obligation	\$ 4,577,729	\$ 13,770,000	\$ 114,970	\$ 18,232,759	\$ 744,989
General Obligation Bonds	545,000	-	165,000	380,000	175,000
Bond Premiums	29,638	-	5,914	23,724	13,810
Total Bonds Payable	5,152,367	13,770,000	285,884	18,636,483	933,799
Capital Leases	179,789	-	37,144	142,645	37,703
Compensated Absences	22,629	7,234	-	29,863	-
Total Business-Type Activities	5,354,785	13,777,234	323,028	18,808,991	971,502
Total Long-Term Liabilities	\$ 21,423,095	\$ 13,899,119	\$ 1,516,311	\$ 33,805,903	\$ 2,088,096

Compensated absences of the governmental activities and business-type activities are paid by the general fund and water and wastewater funds, respectively.

CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8 RISK MANAGEMENT

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City is a member of the Texas Municipal League and participates in the Intergovernmental Risk Pool. Premiums are paid to the Pool who administers all claims. The City retains, as a risk, only the deductible amount of each policy. The City has maintained insurance coverage in all major categories of risk comparable to that of the prior year with no reduction in coverage. The amount of settlements during the past three years has not exceeded the insurance coverage.

NOTE 9 RETIREMENT PLAN

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the state of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the state of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 RETIREMENT PLAN (CONTINUED)

Benefits Provided (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes government TMRS. Plan provisions for the City for 2020 and 2019 were as follows:

<u>Plan Year</u>	<u>2020</u>	<u>2019</u>
Employee Deposit Rate	6.75%	7.00%
Matching Ratio (City to Employee)	2 to 1	2 to 1
Years Required for Vesting	5	5
Service Retirement Eligibility (Expressed as Age/Years of Service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0	0
Annuity Increase (to Retirees)	0% of CPA	0% of CPA

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to but Not Receiving Benefits	31
Active Employees	40
Total	85

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.54% and 7.35% in calendar years 2019 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$166,714 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% Per Year
Overall Payroll Growth	3.5% to 11.5%, including inflation
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expense, Including Inflation

Salary increases were 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 healthy annuitants and Annuity Purchase Rate (APRs) are 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.

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

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	30.00 %	5.30%
Core Fixed Income	10.00	1.25
Non-Core Fixed Income	20.00	4.14
Real Return	10.00	3.85
Real Estate	10.00	4.00
Absolute Return	10.00	3.48
Private Equity	10.00	7.75
Total	<u>100.00 %</u>	

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.

Changes in the Net Pension Liability

	<u>Total Pension Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance - December 31, 2018	\$ 2,128,544	\$ 1,806,540	\$ 322,004
Changes for the Year:			
Service Cost	314,289	-	314,289
Interest	150,778	-	150,778
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Performance	7,612	-	7,612
Changes of Assumptions	6,156	-	6,156
Contributions - Employer	-	166,714	(166,714)
Contributions - Employee	-	161,411	(161,411)
Net Investment Income	-	279,601	(279,601)
Benefit Payments, Including Refunds of Employee Contributions	(103,874)	(103,874)	-
Administrative Expense	-	(1,578)	1,578
Other Changes	-	(49)	49
Net Changes	<u>374,961</u>	<u>502,225</u>	<u>(127,264)</u>
Balance - December 31, 2019	<u>\$ 2,503,505</u>	<u>\$ 2,308,765</u>	<u>\$ 194,740</u>

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 RETIREMENT PLAN (CONTINUED)

Sensitivity of the Net Position 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 one percentage point lower (5.75%) or one 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%)
City's Net Pension Liability	\$ 609,900	\$ 194,739	\$ (142,022)

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.

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

For the year ended September 30, 2020, the City recognized pension expense of \$170,460. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Expected and Actual Experience	\$ 4,050	\$ -
Difference in Assumptions Changes	10,458	-
Differences in Projected and Actual Investment Earnings	-	65,716
Contributions Subsequent to the Measurement Date	139,578	-
Total	\$ 154,086	\$ 65,716

\$139,578 is reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Pension Expense
2021	\$ (10,011)
2022	(15,479)
2023	5,041
2024	(30,759)
Total	\$ (51,208)

**CITY OF WILLOW PARK, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 10 COMMITMENTS

The City has issued bonds for construction projects that were not complete at September 30, 2020. The following is a schedule of the projects and remaining balance of funds to spend:

<u>Bonds Issued</u>	<u>Projects</u>	<u>Proceeds</u>	<u>Expenditures as of Sept 30, 2020</u>	<u>Balance as of Sept 30, 2020</u>
2019 Certificates of Obligation	Fort Worth Water Line	<u>\$ 13,770,000</u>	<u>\$ 494,223</u>	<u>\$ 13,275,777</u>

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WILLOW PARK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Budget		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 1,483,199	\$ 1,483,199	\$ 1,579,675	\$ 96,476
Sales and Use	975,000	975,000	1,280,021	305,021
Franchise	377,933	377,933	374,099	(3,834)
Court Fines and Fees	255,200	255,200	125,688	(129,512)
Licenses and Permits	253,700	253,700	709,424	455,724
Investment Earnings	-	-	14,508	14,508
Intergovernmental	-	-	1,352	1,352
Contributions	-	-	3,724	3,724
Other Revenue	22,085	22,085	5,292	(16,793)
Total Revenues	<u>3,367,117</u>	<u>3,367,117</u>	<u>4,093,783</u>	<u>726,666</u>
EXPENDITURES				
Current:				
Administration	400,019	400,019	460,193	(60,174)
Development Services	338,144	338,144	439,630	(101,486)
Legislative	200,248	200,248	196,561	3,687
Municipal Court	163,550	163,550	182,861	(19,311)
Police	1,240,413	1,240,413	1,226,316	14,097
Fire and Rescue	1,057,001	1,057,001	1,070,992	(13,991)
Public Works, Parks, and Roads	312,341	312,341	477,466	(165,125)
Capital Outlay	175,000	175,000	2,767	172,233
Miscellaneous Expenses	-	-	550,713	(550,713)
Debt Service	-	-	106,045	(106,045)
Total Expenditures	<u>3,886,716</u>	<u>3,886,716</u>	<u>4,713,544</u>	<u>(826,828)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(519,599)	(519,599)	(619,761)	1,553,494
OTHER FINANCING SOURCES (USES)				
Transfers In	535,000	535,000	267,639	(267,361)
Transfers Out	11,930	11,930	(10,000)	(21,930)
Proceeds from Sale of Capital Assets	-	-	8,331	8,331
Total Other Financing Sources (Uses)	<u>546,930</u>	<u>546,930</u>	<u>265,970</u>	<u>(280,960)</u>
NET CHANGE IN FUND BALANCES	27,331	27,331	(353,791)	1,272,534
Fund Balance - Beginning of Year	<u>1,435,211</u>	<u>1,435,211</u>	<u>1,435,211</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,462,542</u>	<u>\$ 1,462,542</u>	<u>\$ 1,081,420</u>	<u>\$ 1,272,534</u>

See accompanying Notes to Required Supplementary Information.

CITY OF WILLOW PARK, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
YEARS ENDED SEPTEMBER 30
(SEE INDEPENDENT AUDITORS' REPORT)

	2015	2016	2017	2018	2018	2019
Total Pension Liability:						
Service Cost	\$ 88,122	\$ 240,748	\$ 272,355	\$ 258,362	\$ 285,527	\$ 314,289
Interest (on the Total Pension Liability)	60,307	68,080	86,596	107,654	127,139	150,778
Changes of Benefit Terms	122,676	-	-	-	-	-
Differences Between Expected and Actual Experience	(71,540)	(4,518)	9,269	(32,349)	15,830	7,612
Change of Assumptions	-	43,222	-	-	-	6,156
Benefit Payments, Including Refunds of Employee Contributions	(41,148)	(43,186)	(62,812)	(35,695)	(81,467)	(103,874)
NET CHANGE IN TOTAL PENSION LIABILITY	158,417	304,346	305,408	297,972	347,029	374,961
Total Pension Liability - Beginning of Year	715,372	873,789	1,178,135	1,483,543	1,781,515	2,128,544
TOTAL PENSION LIABILITY - END OF YEAR (a)	\$ 873,789	\$ 1,178,135	\$ 1,483,543	\$ 1,781,515	\$ 2,128,544	\$ 2,503,505
Plan Fiduciary Net Position:						
Contribution - Employer	\$ 30,615	\$ 136,696	\$ 134,415	\$ 136,098	\$ 155,766	\$ 166,714
Contributions - Employee	75,037	139,169	141,641	134,065	150,395	161,411
Net Investment Income	35,393	1,060	64,397	170,238	(48,854)	279,601
Benefit Payments, Including Refunds of Employee Contributions	(41,148)	(43,186)	(62,812)	(35,695)	(81,467)	(103,874)
Administrative Expense	(369)	(645)	(726)	(882)	(945)	(1,578)
Other	(30)	(32)	(40)	(45)	(49)	(49)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	99,498	233,062	276,875	403,779	174,846	502,225
Plan Fiduciary Net Position - Beginning of Year	618,481	717,979	951,040	1,227,915	1,631,694	1,806,540
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	\$ 717,979	\$ 951,041	\$ 1,227,915	\$ 1,631,694	\$ 1,806,540	\$ 2,308,765
NET PENSION LIABILITY - END OF YEAR	\$ 155,810	\$ 227,094	\$ 255,628	\$ 149,821	\$ 322,004	\$ 194,740
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.84%	50.68%	60.68%	85.20%	84.91%	100.13%
Covered Payroll	\$ 1,500,744	\$ 1,876,446	\$ 2,023,438	\$ 1,915,208	\$ 2,127,623	\$ 2,305,864
Net Pension Liability as a Percentage of Covered Payroll	10.38%	12.10%	12.63%	7.82%	15.13%	8.45%

The Schedule of Changes in the City's Net Pension Liability and Related Ratios shows the changes in Total Pension Liability less the changes in Fiduciary Net Position, resulting in the net pension liability calculation for the City. Note that this is a 10-year schedule, to be created by the City prospectively, over the next 10-year period. This schedule is provided in the GRS Reporting Package (for the current period).

See accompanying Notes to Required Supplementary Information.

CITY OF WILLOW PARK, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND RELATED RATIOS
YEARS ENDED SEPTEMBER 30
(SEE INDEPENDENT AUDITORS' REPORT)

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 106,037	\$ 134,745	\$ 136,067	\$ 158,377	\$ 155,766	\$ 166,714
Contributions in Relation to the Actuarially Determined Contribution	<u>106,037</u>	<u>134,745</u>	<u>136,067</u>	<u>158,377</u>	<u>155,766</u>	<u>166,714</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,749,548	\$ 1,988,189	\$ 1,954,990	\$ 2,062,252	\$ 2,127,623	\$ 2,305,864
Contributions as a Percentage of Covered Payroll	6.06%	6.78%	6.96%	7.68%	7.32%	7.23%

The Schedule of Employer Contributions shows the City's required annual contributions from the actuarial valuation, compared with the actual contributions remitted. This schedule is based on the City's respective fiscal year-end and will be built over the next 10-year period.

See accompanying Notes to Required Supplementary Information.

CITY OF WILLOW PARK, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

NOTE 1 STEWARDSHIP AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The City Council follows these procedures in establishing budgetary data reflected in the financial statements. Prior to the beginning of the fiscal year, the City Manager submits to the City Council proposed operating budgets. The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally enacted by fund through passage of an ordinance. Encumbrances lapse at year-end.

NOTE 2 DEFINED BENEFIT PENSION PLANS

Notes to Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10-Year Smoothed Market; 15% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2019.

Mortality

Post-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee tables used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

There were no benefit changes during the year.

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**COMBINING NONMAJOR
GOVERNMENTAL FUND STATEMENTS**

CITY OF WILLOW PARK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS – COMBINING BALANCE SHEET
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Special Revenue Funds							Total Special Revenue
	Court Security	Court Technology	Seizure Fund	Tourism Fund	Police Contributions	First Responder Donations	Truancy Fund	
ASSETS								
Cash and Cash Equivalents	<u>\$ 35,280</u>	<u>\$ 52,697</u>	<u>\$ 9,186</u>	<u>\$ 68,598</u>	<u>\$ 444</u>	<u>\$ 13,130</u>	<u>\$ 3,388</u>	<u>\$ 182,723</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,388	\$ 3,388
FUND BALANCE								
Restricted	<u>35,280</u>	<u>52,697</u>	<u>9,186</u>	<u>68,598</u>	<u>444</u>	<u>13,130</u>	<u>-</u>	<u>179,335</u>
Total Fund Balance	<u>35,280</u>	<u>52,697</u>	<u>9,186</u>	<u>68,598</u>	<u>444</u>	<u>13,130</u>	<u>-</u>	<u>179,335</u>
Total Liabilities and Fund Balance	<u>\$ 35,280</u>	<u>\$ 52,697</u>	<u>\$ 9,186</u>	<u>\$ 68,598</u>	<u>\$ 444</u>	<u>\$ 13,130</u>	<u>\$ 3,388</u>	<u>\$ 182,723</u>

CITY OF WILLOW PARK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS – COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Capital Projects				Total Capital Projects	Total Nonmajor Funds
	Building Capital Projects	Roads Capital Projects	TexStar Parks & Recreation	TIRZ Reimbursement Fund		
ASSETS						
Cash and Cash Equivalents	\$ 80,294	\$ 515	\$ 435,247	\$ 1,878	\$ 517,934	\$ 700,657
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ 3,888
FUND BALANCE						
Restricted	79,794	515	435,247	1,878	517,434	696,769
Total Liabilities and Fund Balance	\$ 80,294	\$ 515	\$ 435,247	\$ 1,878	\$ 517,934	\$ 700,657

CITY OF WILLOW PARK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Special Revenue Funds							Total Special Revenue
	Court Security	Court Technology	Seizure Fund	Tourism Fund	Police Contributions	First Responder Donations	Truancy Fund	
REVENUES								
Hotel Occupancy Tax	\$ -	\$ -	\$ -	\$ 5,043	\$ -	\$ -	\$ -	\$ 5,043
Court Fines and Fees	3,492	4,703	-	-	-	-	-	8,195
Investment Earnings	-	-	72	517	-	-	-	589
Contributions	-	-	-	-	-	34,588	-	34,588
TIRZ	-	-	-	-	-	-	-	-
Total Revenues	<u>3,492</u>	<u>4,703</u>	<u>72</u>	<u>5,560</u>	<u>-</u>	<u>34,588</u>	<u>-</u>	<u>48,415</u>
EXPENDITURES								
Current:								
Municipal	3,342	-	-	-	-	-	-	3,342
Operating Expenses	-	-	-	-	-	41,225	-	41,225
Police	-	4,502	-	-	-	6,967	-	11,469
Capital Outlay	-	-	-	-	-	-	-	-
TIRZ	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,342</u>	<u>4,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,192</u>	<u>-</u>	<u>56,036</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	150	201	72	5,560	-	(13,604)	-	(7,621)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	150	201	72	5,560	-	(13,604)	-	(7,621)
Fund Balance - Beginning of Year	<u>35,130</u>	<u>52,496</u>	<u>9,114</u>	<u>63,038</u>	<u>444</u>	<u>26,734</u>	<u>-</u>	<u>186,956</u>
FUND BALANCE - END OF YEAR	<u>\$ 35,280</u>	<u>\$ 52,697</u>	<u>\$ 9,186</u>	<u>\$ 68,598</u>	<u>\$ 444</u>	<u>\$ 13,130</u>	<u>\$ -</u>	<u>\$ 179,335</u>

CITY OF WILLOW PARK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Capital Projects				Total Capital Projects	Total Nonmajor Funds
	Building Capital Projects	Roads Capital Projects	TexStar Parks & Recreation	TIRZ Reimbursement Fund		
REVENUES						
Hotel Occupancy Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,043
Court Fines and Fees	-	-	-	-	-	8,195
Investment Earnings	4,508	4,092	4,364	532	13,496	14,085
Contributions	-	-	-	-	-	34,588
TIRZ	-	-	-	145,130	145,130	145,130
Total Revenues	<u>4,508</u>	<u>4,092</u>	<u>4,364</u>	<u>145,662</u>	<u>158,626</u>	<u>207,041</u>
EXPENDITURES						
Current:						
Municipal	-	-	-	-	-	3,342
Operating Expenses	-	-	-	-	-	41,225
Police	-	-	-	-	-	11,469
Capital Outlay	437,374	748,422	54,449	-	1,240,245	1,240,245
TIRZ	-	-	-	148,000	148,000	148,000
Total Expenditures	<u>437,374</u>	<u>748,422</u>	<u>54,449</u>	<u>148,000</u>	<u>1,388,245</u>	<u>1,444,281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(432,866)	(744,330)	(50,085)	(2,338)	(1,229,619)	(1,237,240)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	10,000	-	-	10,000	10,000
Transfers Out	-	-	(16,926)	-	(16,926)	(16,926)
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,000</u>	<u>(16,926)</u>	<u>-</u>	<u>(6,926)</u>	<u>(6,926)</u>
NET CHANGE IN FUND BALANCES	(432,866)	(734,330)	(67,011)	(2,338)	(1,236,545)	(1,244,166)
Fund Balance - Beginning of Year	<u>512,660</u>	<u>734,845</u>	<u>502,258</u>	<u>4,216</u>	<u>1,753,979</u>	<u>1,940,935</u>
FUND BALANCE - END OF YEAR	<u>\$ 79,794</u>	<u>\$ 515</u>	<u>\$ 435,247</u>	<u>\$ 1,878</u>	<u>\$ 517,434</u>	<u>\$ 696,769</u>



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: March 23, 2021	Department: Administrative	Presented By: B. Grimes
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AGENDA ITEM:

To consider and act on rescinding the COVID declaration of disaster.

BACKGROUND:

Governor Abbot rescinded the State of Texas Declaration of Disaster, therefore staff recommends the City should rescind its emergency order as well.

STAFF/BOARD/COMMISSION RECOMMENDATION:

Staff recommends approval.

EXHIBITS:

ADDITIONAL INFO:	FINANCIAL INFO:	
	Cost	
	Source of Funding	TBD



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: March 23, 2021	Department: Administrative	Presented By: B. Grimes
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To consider and act on Resolution, a Resolution of adopting the Texas Coalition for Affordable Power's (TCA P) professional services agreement and Gexa Energy's commercial electric service agreement for power to be provided on and after January 1, 2022.

BACKGROUND:

In order to receive the best electricity rates possible, The City belongs to the Texas Coalition for Affordable Power's (TCAP), which is a co-operative of many government organizations. Every two years TCAP negotiates our electric rates to receive the best possible rates and plans.

This Resolution is our agreement to be a part of the upcoming negotiations.

STAFF/BOARD/COMMISSION RECOMMENDATION:

Approval of Resolution

EXHIBITS:

Attachments A,B, C, D and E

Exhibits 1, 2, 3

ADDITIONAL INFO:	FINANCIAL INFO:	
	Cost	TBD
	Source of Funding	TBD

STEERING COMMITTEE CITIES SERVED BY ONCOR (162)

Addison	Frisco	Plano
Allen	Frost	Pottsboro
Alvarado	Gainesville	Prosper
Andrews	Garland	Ranger
Anna	Glenn Heights	Red Oak
Archer City	Grand Prairie	Rhome
Argyle	Granger	Richardson
Arlington	Grapevine	Richland
Azle	Haltom City	Richland Hills
Bedford	Harker Heights	River Oaks
Bellmead	Haslet	Roanoke
Belton	Henrietta	Robinson
Benbrook	Hewitt	Rockwall
Beverly Hills	Highland Park	Rosser
Big Spring	Honey Grove	Rowlett
Breckenridge	Howe	Sachse
Bridgeport	Hudson Oaks	Saginaw
Brownwood	Hurst	Sansom Park
Buffalo	Hutto	Seagoville
Burkburnett	Iowa Park	Sherman
Burleson	Irving	Snyder
Caddo Mills	Jolly	Southlake
Cameron	Josephine	Springtown
Canton	Justin	Stephenville
Carrollton	Kaufman	Sulphur Springs
Cedar Hill	Keene	Sunnyvale
Celina	Keller	Sweetwater
Centerville	Kennedale	Temple
Cleburne	Kerens	Terrell
Coahoma	Killeen	The Colony
Colleyville	Krum	Trophy Club
Collinsville	Lake Worth	Tyler
Colorado City	Lakeside	University Park
Comanche	Lamesa	Venus
Commerce	Lancaster	Waco
Coppell	Lewisville	Watauga
Copperas Cove	Lindale	Waxahachie
Corinth	Little Elm	Westover Hills
Cross Roads	Little River Academy	Westworth Village
Crowley	Malakoff	White Settlement
Dallas	Mansfield	Wichita Falls
Dalworthington Gardens	McKinney	Willow Park
DeLeon	Mesquite	Woodway
De Soto	Midland	Wylie
Denison	Midlothian	
Duncanville	Murchison	
Early	Murphy	
Eastland	New Chapel Hill	
Edgecliff Village	North Richland Hills	
Ennis	Northlake	
Eules	Oak Leaf	
Everman	Oak Point	
Fairview	Odessa	
Farmers Branch	O'Donnell	
Fate	Ovilla	
Flower Mound	Palestine	
Forest Hill	Pantego	
Forney	Paris	
Fort Worth	Parker	

MEMORANDUM

TO: Steering Committee of Cities Served by Oncor
FROM: Paige Mims, Chair
DATE: February, 2021
RE: **Action Needed – 2021 Membership Assessment Invoice**

Enclosed please find the 2021 Steering Committee of Cities Served by Oncor (“Steering Committee”) membership assessment invoice and draft resolution. These items are discussed below. We ask that your city please take action on the membership assessment as soon as possible.

Although the Steering Committee does not require that your city take action by resolution to approve the assessment, some members have requested a resolution authorizing payment of the 2021 membership assessment. Payment of the membership assessment fee shall be deemed to be in agreement with the terms of the Steering Committee participation agreement.

Please forward the membership assessment fee and, if applicable, the signed resolution to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney’s Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010. Checks should be made payable to: *Steering Committee of Cities Served by Oncor*. If you have any questions, please feel free to contact me at (972/941-7125) or Thomas Brocato (tbrocato@lglawfirm.com, 512/914-5061).

Membership Assessment Invoice and Resolution

The Steering Committee is the most active consumer group advocating the interests of cities and residential and small commercial customers within the cities to keep electric transmission and distribution (*i.e.*, wires) rates reasonable. Steering Committee activities protect the authority of municipalities over the regulated wires service and rates charged by Oncor Electric Delivery Company, LLC (“Oncor”).

The work undertaken by the Steering Committee has saved cities and ratepayers millions of dollars in unreasonable charges. In order to continue to be an effective voice before the Public Utility Commission of Texas (“Commission” or “PUC”), ERCOT, the Legislature, and in the courts, the Steering Committee must have your support. The membership assessment is deposited in an account which funds Steering Committee activities.

Currently, the Steering Committee is involved in numerous rulemakings and projects at the PUC. The Steering Committee expects to participate in Oncor’s Rate Case and Energy Efficiency Cost Recovery Factor (“EECRF”) proceedings later this year.

On December 10, 2020, the Steering Committee approved the 2021 assessment for Steering Committee membership. Based upon the population-based assessment protocol previously adopted by the Steering Committee, the assessment for 2021 is a per capita fee of \$0.06 based upon the population figures for each city shown in the latest TML Directory of City Officials. This is a decrease of \$0.01 compared to 2020. The enclosed invoice represents your city’s assessment amount.

To assist you in the assessment process, we have attached several documents to this memorandum for your use:

- OCSC 2020 Year in Review
- Model resolution approving the 2021 assessment (optional, provided for those cities that have requested a resolution to authorize payment)
- Model staff report supporting the resolution
- List of Steering Committee members
- 2021 Assessment invoice
- 2020 Assessment invoice and statement (only if not yet paid)
- Blank member contact form to update distribution lists

**STAFF REPORT ON ASSESSMENT RESOLUTION
FOR STEERING COMMITTEE OF CITIES SERVED BY ONCOR**

Purpose of the Resolution

The City of Willow Park, Texas is a member of a 162-member city coalition known as the Steering Committee of Cities Served by Oncor (Steering Committee). The resolution approves the assessment of a six cent (\$0.06) per capita fee to fund the activities of the Steering Committee.

Why this Resolution is Necessary

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for over three decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of “Be It Resolved” Paragraphs

I. The City is currently a member of the Steering Committee; this paragraph authorizes the continuation of the City’s membership.

II. This paragraph authorizes payment of the City’s assessment to the Steering Committee in the amount of seven cents (\$0.06) per capita, based on the population figure for the City as shown in the latest TML Directory of City Officials.

III. This paragraph requires payment of the 2021 assessment be made and a copy of the resolution be sent to the Steering Committee.

Payment of Assessment

A copy of the resolution should be mailed with payment of the fee to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney’s Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010. Checks should be made payable to: *Steering Committee of Cities Served by Oncor.*

2020 OCSC NEWSLETTER



2020 YEAR IN REVIEW ISSUE

This past year was a busy one for OCSC. This annual review highlights the significant events of 2020 that impacted OCSC and what's on the horizon next year.

OCSC Has a Productive 2020

This past year was another active year for the Steering Committee of Cities Served by Oncor (OCSC). On behalf of its member cities and their residents, OCSC participated in numerous proceedings before the Public Utility Commission of Texas (PUC) and the Texas Legislature. This Year in Review highlights the significant events in 2020 that impacted OCSC and previews what is on the horizon for the coming year. Looking ahead, 2021 will likely be another busy year for OCSC at the PUC, the Electric Reliability Council of Texas, the Texas Legislature, and the courts.



Oncor DCRF Settles; Approved by PUC

In early April 2020, electric utilities filed applications with the Public Utility Commission (PUC or Commission) to amend their Distribution Cost Recovery Factors (DCRFs). Utilities file DCRF proceedings to update the DCRF Rider in their tariff to include additional distribution invested capital placed in service since their last full base rate case.

Oncor Electric Delivery Company, LLC (Oncor or Company) filed an Application to Amend its DCRF on April 3, 2020, seeking to increase Oncor's total distribution rates by \$75,889,531 annually (an approximately

\$0.88 increase to the average residential customer's bill). This is Oncor's third DCRF filing. OCSC intervened in the proceeding, hired consultants to review the filing, conducted discovery, and negotiated with the Company. Ultimately, the parties settled, resolving all issues in the docket. Under the settlement, Oncor reduced its request by \$6 million to a total DCRF annual revenue requirement increase of \$69.9 million.

On July 31, 2020 the Commission approved the settlement. The agreed rates for Oncor's DCRF became effective September 1, 2020.

PUC Approves Oncor EECRF

Oncor made its annual Energy Efficiency Cost Recovery Factor (EECRF) filing on May 29, 2020, to adjust its rates during the following year to reflect changes in program costs and performance bonuses. EECRF filings also true-up any prior energy efficiency costs over- or under-collected, pursuant to the Public Utility Regulatory Act (PURA) and PUC rules. Because EECRF proceedings are limited in scope and review, they proceed on an expedited schedule.

OCSC intervened, hired a consultant to review the filing, conducted discovery, and discussed the filing with the Company. Ultimately, OCSC confirmed that the Company's request was reasonable. Therefore, OCSC agreed to the Company's requested EECRF increase as filed.

Pursuant to the agreement, Oncor will collect \$64,782,106 in 2021, consisting of the following components: (1) \$51,620,521 in energy efficiency program costs projected to be incurred in 2021; (2) \$14,249,500 for its 2019 performance bonus; (3) allocation of \$1,833,844 for the over-recovery of costs in 2019; (4) \$735,989 in estimated expenses relating to the Commission's EM&V costs; and (5) \$9,940 in rate case expenses from 2019.

At the September 10, 2020 open meeting, the PUC approved the settlement agreement. The settlement's rates will go into effect on March 1, 2021.

PUC Takes Emergency Action to Combat the Impact of COVID-19

On March 16, 2020, the PUC held an emergency open meeting to adopt measures to address the threats presented by the coronavirus disease (COVID-19). The commissioners designated the COVID-19 threat as a public emergency, giving the PUC the authority to suspend the rules for different filing requirements and deadlines. The agency announced that its staff would be telecommuting, suspended its filing requirements for hard copies, and took its open meetings virtual, allowing the public to participate telephonically. As of the end of 2020, most of staff is still telecommuting, the PUC is contemplating permanent changes to filing requirements, and its open meetings are still being conducted virtually via online streaming.

On, March 26, 2020, the PUC exercised its emergency authority to issue three orders, detailed below:

Exceptions to PUC Rules and Requirement for REPs to Offer DPPs

The first Order provided exceptions to existing PUC rules for electric, water, and sewer utilities, prohibiting the assessment of late fees and disconnection of customers when they cannot pay their utility bills, and required electric utilities to provide eligible customers with deferred payment plans (DPPs).

Accounting Order, Establishing a Regulatory Asset

The Commission also approved an accounting order, authorizing an accounting mechanism and subsequent process through which regulated utilities may seek future recovery of expenses resulting from the effects of COVID-19. These expenses, considered "regulatory assets" can include non-payment of customer bills, as well as other costs, such as the cost to have facilities cleaned and disinfected. In future proceedings, the Commission will consider whether each utility's request for recovery of these regulatory assets is reasonable and necessary. The Commission will

also consider other issues at a future proceeding, such as the appropriate period of recovery for approved amounts.

The COVID-19 Electricity Relief Program

The third Order established the COVID-19 Electricity Relief Program (ERP), which is a mechanism that was designed to protect Texas citizens impacted by COVID 19 and provide certainty to the electric utilities and retail electric providers for recovery of unpaid utility bills.

The ERP helped customers that have been impacted by COVID-19 pay their past-due electric bills, and prevented utilities from disconnecting such customers. The ERP applied only to residential customers and only to those areas of the state with retail electric deregulation.

The ERP was originally scheduled to end July 17, but at its July 2 open meeting, the PUC directed Commission Staff to draft an order to continue the ERP until August 31.

The ERP is funded by a special charge of 0.033 cents per kilowatt hour added to electricity bills. That works out to about 40 cents for residential customers who use 1,200 kilowatt hours of electricity per month. According to the PUC, the program was "intended to help unemployed customers . . . by providing protection from disconnections for non-payment and offering bill payment assistance."

Nearly 595,000 were shielded from utility disconnections because of the program. Since March, it provided more than \$30 million in assistance for bills.

On October 1, 2020, the ERP ended, exposing protected residents to the potential for disconnections and late fees from utilities.

At the August 27, 2020 open meeting, the Commission issued an order requiring Retail Electric Providers and Transmission and Distribution Utilities to file a final ERP report to the Commission on or before January 15, 2021.

WETT STM Settlement Approved by PUC

On February 24, 2020, Wind Energy Transmission Texas, LLC (WETT), AxInfra US LP (AxInfra), Hotspur HoldCo 1 LLC (Hotspur 1), Hotspur HoldCo 2 LLC (Hotspur 2), and 730 Hotspur, LLC (730 Hotspur) (together Applicants) filed an application with the Public Utility Commission for approval of a sales transaction (STM) that would result in the transfer of ownership and control of WETT to AxInfra, an investment fund managed by Axium Infrastructure US, Inc. (Axium US) (Docket No. 50584).

OCSC intervened in the proceeding, because the proceeding impacts service in OCSC's member cities. Rates for all transmission providers are socialized (meaning that ratepayers will pay a portion of all transmission rates approved for all transmission providers). Additionally, the bankruptcy of Energy Future Holdings Corp., and three previous Oncor STMs, teach the importance of corporate structure, debt levels, and ring fencing in protecting consumers.

Under the application, AxInfra will ultimately control WETT. 730 Hotspur will acquire a non-controlling minority interest in Hotspur SPC, an Axium subsidiary that will have an upstream, indirect ownership interest in WETT.

The participating parties (the Applicant, TIEC, OCSC, and Commission Staff) filed a unanimous Stipulation, avoiding the June hearing on the merits.

In prior cases involving change of ownership—most notably the Oncor STMs involving Hunt and NextEra—there were serious debates over whether an application had to demonstrate meaningful savings or other benefits to customers to establish a public interest finding. WETT alleged modest savings in administrative costs by proposing a reduction in the size of its Board of Directors from five to three members—a mistake in governance that would nullify insignificant savings. The Stipulation corrects that mistake by requiring a five-member Board with two independent directors.

Other major concessions made by the Applicants to win the support of the parties include:

1. Dividend Restriction — WETT will not pay dividends, except for contractual tax payments, at any time that WETT's debt rating is below (BBB) or the equivalent with any one of the credit agencies rating WETT unless approved by the two disinterested board members of WETT Holdings;
2. Goodwill, Transaction & Transition Costs — WETT will not seek to include any transaction acquisition premium or Goodwill, transaction or transition costs in rates;
3. Capital Expenditures — Company will maintain capital expenditures consistent with the existing five-year plan; and
4. Stand Alone Credit — Owners agree to obtain stand-alone credit rating from at least one of Moody's, Fitch, or Standard & Poor's by the earlier of: (a) WETT's next base rate case, or (b) December 31, 2022.

On July 24, 2020 the Commission approved the Stipulation and issued its Final Order, finding that the transaction is in the public interest.

PUC Compares Electricity Utility Distribution Spending and Reliability

Each year, the Public Utility Commission releases a report tracking the reliability-related spending of investor-owned electric utilities (IOUs) providing distribution service across the state of Texas. This year's report covers the ten-year period from 2010-2019, providing data on (1) distribution system spending; (2) all investor-owned electric distribution utilities serving customers in Texas; (3) variations in spending and reliability data in graphical format; and (4) outage comparisons between utilities. Outage comparisons use the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) calculations to show the duration and frequency of interruptions.

Oncor's data is affected by its acquisition of Sharyland's distribution system in December 2016. Oncor is tracking SAIDI and SAIFI separately for the former Sharyland territory for ten years, whereas, starting in 2017, the vegetation management data is combined.

The size and operating environments of the IOUs in Texas are very diverse, which can make comparisons between IOUs misleading without careful consideration of these differences. Because of the range in IOU size, climate, topography, and other factors, an apples to apples comparison of IOU spending is not necessarily appropriate.

However, by comparing the cost per customer for each of the categories of IOU spending, we have some standards to gauge Oncor's spending.

In 2019, Oncor spent more than ever before on capital additions (around \$900 million) and Operations and Maintenance (O&M) (around \$250 million). Oncor's capital additions and O&M spending has climbed about 10-20% each year over the past 10 years.

Oncor's vegetation management (VM) spending rose slightly in 2019 compared to the previous two years, and is slightly above average for the past seven years. However, a large percentage of its VM spending is attributable to storms.

Oncor's SAIDI and SAIFI data reflects a rise in duration and frequency of interruptions in service that are attributable to major events. Further, over the last ten years, Oncor's percentage of SAIDI and SAIFI attributable to major events is much higher than other utilities.

Compared to other Texas Utilities, Oncor's SAIDI and SAIFI in roughly average.

The Commission's report can be found at:

http://interchange.puc.texas.gov/Documents/46735_26_1089530.PDF



2021 Legislative Session on the Horizon

The gavel drops, opening the 87th Texas Legislative Session on January 12, 2021. This session is sure to look different than years past. There will likely be occupancy limits and other limitations on how committee meetings will take place. Additionally, this session will be one of the toughest legislative sessions in recent years since members will have to address billions of dollars in shortfalls to the state budget, redraw the state's political maps, and navigate issues like health care and public education that have been a focus during the pandemic.

Since Lawmakers began pre-filing bills on Monday, November 9, 2020, over 750 bills have already been filed in the House and over 200 bills have been filed in the Senate – including a dozen or so relating to energy and ratepayer issues. We have our eye on many of these bills, and will keep you apprised as they move through the legislative process.

Below, we listed several bills on our watch list, and explain briefly their purpose. However, keep in mind that inclusion on this list implies neither our support nor opposition. **We highlight these bills for informational purposes only.**

- **House Bill 427**, by state Rep. Ken King, would impose an additional \$200 fee for the registration of electric vehicles as well as a \$100 fee for the registration of hybrid vehicles.
- **House Bill 433**, also by state Rep. King, would impose a 1-cent per-kilowatt-hour tax on each kilowatt of electricity generated in Texas from any source other than natural gas.
- **House Resolution 9**, by state Rep. Richard Raymond, would direct the Texas Legislature to urge the U.S. Congress to order a cost-benefit analysis regarding the risks of climate change nationwide. The analysis should include a discussion of appropriate measures to address those risks.
- **House Bill 685**, by state Rep. Gary VanDeaver, would create a critical care program for veterinarians that depend upon electricity to maintain critical medical equipment for animals under their care. The Public Utility Commission would create disconnection protections for such veterinarian customers.
- **Senate Bill 170**, by state Sen. Cesar Blanco, calls for a study of the feasibility of expanding the state's renewable energy goals such that half the state's installed generating capacity by 2030 will come from renewable sources, and 100 percent of it would come from renewable sources by 2050.
- **Senate Bill 182**, by state Sen. Charles Schwertner, requires the Public Utility Commission to conduct a five-year look-back analysis of rates charged by municipal electric utilities. If the municipal rates are 10 percent higher than the five-year average of competitive rates paid in a similarly situated area with electric competition, then the municipal utility must transition to deregulation within one year.

We will provide updates as the as the 87th Legislature kicks off at the beginning of 2021.

Public Utility Commission Prepares for 2021 Legislative Session

The Public Utility Commission (PUC) has acknowledged that this is not the year for utility issues to take center stage at the Legislative Session, so it seems their expectations are low for any significant changes in 2021. In the PUC's Biennial Report to the 87th Legislature (filed on December 10, 2020 in Docket No. 50475), the PUC provides a report on significant actions taken over the past two years, describes emerging issues, and summarizes its recommendations to the Legislature for potential water, electric, and telecommunications legislation. Based on this report and comments made by the Commissioners at the open meeting on December 17, 2020, the PUC recommends legislation on the following:

- **Sale of Electricity at Charging Stations:** As the cost of electric vehicles has dropped, more consumers have purchased them, with sales rates doubling year-over-year. With increased adoption of electric vehicles over fuel-based vehicles, there is a growing need for public-use charging stations

to be located off of highways and in places such as large retail shopping centers or garages near office buildings. The sale of electricity through these charging stations could potentially bring the companies owning them under the definition of an "electric utility." The PUC proposes that the Legislature clarify that the use of an electric vehicle charging station is not an electric utility or a retail electric provider.

- **Filing Fees:** The Commission is requesting the statutory authority to charge fees to certain parties that make paper filings with the PUC at a level not to exceed the costs incurred by the agency.

We will provide updates on how the 87th Legislature acts on the PUC's recommendations in 2021.



2021 OCSC Meetings

March 4
May 6
August 12
December 9

2021 OCSC Officers

Paige Mims—Chair
Don Knight—Vice Chair
Adrienne Lothery—Secretary



For more questions or concerns regarding any OCSC matter or communication, please contact the following representative, who will be happy to provide assistance:

Thomas L. Brocato
Attorney

Direct : (512) 322-5857
Email: tbrocato@lglawfirm.com



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: 3-23-2021	Department: Development Services	Presented By: Bernie Parker
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AGENDA ITEM:

Discussion: Update on substandard structures located in the Meadows Place Estate Phase 1. **(Bernie / Pat)**

BACKGROUND:

November of 2020 city staff started the process of gathering information on two homes within Meadows Place Estates to bring them before the Building Standard Commission. During this time of discovery staff was contacted by legal representation of the property owners to discuss these two properties. Their legal counsel was made aware of where the city was initiating the process of reporting these two properties to the commission. The property owners requested additional time to seek other possible opportunities to mitigate possible code violations.

November 2020 thru January of 2021 staff had limited contact with the homeowners and their legal representation. As a result, staff notified the property's legal counsel our intent was to move forward with the process discussed.

February of 2021 staff was contacted by a homebuilder stating they were in negotiations to purchase these two homes. Staff informed the home builder of the current status of the two units. Staff meet with the potential home builder on multiple occasions on site. During this time, the city instructed Bureau Veritas to perform a code consultation on the two properties.

Currently the two homes are under review.

STAFF/BOARD/COMMISSION RECOMMENDATION:

EXHIBITS:

ADDITIONAL INFO:	FINANCIAL INFO:	
	Cost	
	Source of Funding	\$



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: March 23, 2021	Department: Admin	Presented By: City Manager
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AGENDA ITEM:

Discussion / Action: To consider an act on all matters incident and related to approving and authorizing publication of notice of intention to issue certificates of obligation in an amount not to exceed \$14,500,000 for the purpose of paying contractual obligations to be incurred for (i) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving wastewater system properties or facilities, including land and rights-of-way therefore and (ii) professional services rendered in relation to such projects and the financing thereof, including the adoption of the Resolution pertaining thereto

BACKGROUND:

In anticipation of approval from the Texas Water Development Board (TWDB) on the pending application of the Clean Water State Revolving Fund (CWSRF) of the City's request for approximately \$14.5M for construction of a new wastewater treatment plant, the Council will need to provide notice to the public of its intent to issue debt. As of today, we are expecting to be placed on the April 8 meeting of the TWDB.

Staff has consulted with both Norton, Rose, and Fullbright as well as Hilltop Securities about issuing debt prior to approval from TWDB. Both consultants agreed that this is a permissible action. By providing notice on March 23, rather than after approval from TWDB at the April 13 meeting, council can issue the debt at the May 11, 2021 meeting rather than the June 15, 2021 meeting. This will obviously start the process a month sooner and hopefully expedite this project quicker.

If the unforeseen event that the City is not funded for the application on April 8 meeting, Council would need to start the process over again. The financial impact would be the cost of an additional advertisement in the Community News.

STAFF/BOARD/COMMISSION RECOMMENDATION:

Passage of resolution

EXHIBITS:

Notice Resolution

Estimated Timetable of Events

RESOLUTION

A RESOLUTION approving and authorizing publication and posting of the notice of intention to issue certificates of obligation.

WHEREAS, the City Council (the "City Council") of the City of Willow Park, Texas (the "City"), has determined that certificates of obligation should be issued under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271 (the "Act"), for the purpose of paying contractual obligations to be incurred for (i) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving wastewater system properties or facilities, including land and rights-of-way therefore, and (ii) professional services rendered in relation to such projects and the financing thereof; and

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in accordance with the provisions of the Act; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOW PARK, TEXAS:

SECTION 1: The City Secretary is hereby authorized and directed to cause notice to be published of the City Council's intention to issue certificates of obligation in a principal amount not to exceed \$14,500,000 for the purpose of paying contractual obligations to be incurred for (i) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving wastewater system properties or facilities, including land and rights-of-way therefore, and (ii) professional services rendered in relation to such projects and the financing thereof, and payable from ad valorem taxes and a pledge of the net revenues of the City's Waterworks and Sewer System. The notice hereby approved and authorized to be published shall read substantially in the form and content of **Exhibit A** hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

SECTION 2: The City Secretary shall cause the aforesaid notice to be published (i) in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of the first publication to be at least forty-six (46) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation, and (ii) continuously on the City's website for at least forty-five (45) days before the date stated therein for the passage of the ordinance authorizing the issuance of the certificate of obligation.

SECTION 3: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 4: This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this March 23, 2021.

CITY OF WILLOW PARK, TEXAS

Doyle Moss, Mayor

ATTEST:

Alicia Smith, City Secretary

(City Seal)

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CITY OF WILLOW PARK, TEXAS CERTIFICATES OF OBLIGATION

TAKE NOTICE that the City Council of the City of Willow Park, Texas, shall convene at 7:00 o'clock P.M. on the 11th day of May, 2021, at the City Hall, 516 Ranch House Road, Willow Park, Texas, and, during such meeting, the City Council will consider the passage of an ordinance authorizing the issuance of certificates of obligation in an amount not to exceed \$14,500,000 for the purpose of paying contractual obligations to be incurred for (i) constructing, acquiring, purchasing, renovating, enlarging, equipping, and improving wastewater system properties or facilities, including land and rights-of-way therefore, and (ii) professional services rendered in relation to such projects and the financing thereof; such certificates to be payable from ad valorem taxes and a pledge of the net revenues of the City's Waterworks and Sewer System. In accordance with Texas Local Government Code Section 271.049 (i) the current principal amount of all of the City's outstanding public securities secured by and payable from ad valorem taxes is \$10,882,228; (ii) the current combined principal and interest required to pay all of the City's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$14,014,490; (iii) the estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is \$14,592,112; (iv) the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the certificates to be authorized is February 15, 2052. The above information excludes \$23,962,772 in principal amount of outstanding debt obligations the City has designated as self-supporting in Resolution No. 2020-16 adopted on November 10, 2020 (said resolution is available from the City upon request) and which the City reasonably expects to pay from revenue sources other than ad valorem taxes; provided, however, that in the event such self-supporting revenue sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271.

Alicia Smith
City Secretary
City of Willow Park, Texas



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: March 23, 2021	Department: Fire	Presented By: Chief Mike LeNoir
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AGENDA ITEM:

To discuss and act on rescinding TDEM Form 147 appointment of EMC to Parker County to allow the Mayor to reappoint a new EMC for the City of Willow Park.

BACKGROUND:

Definition: EMC is reference to Emergency Management Coordinator

Original appointment was the EMC of Parker County on August 13, 2019.
TDEM Form 147 (attached blank copy)

This process is granted to the Mayor of a city who is deemed the Emergency Management Director for the city.

Reference Texas Government Code: Chapter 418 Section 418.1015 of the Texas Government Code and Title 37, Part 1, Chapter 7 of the Texas Administrative Code, mayors and county judges serve as emergency management directors, bearing the responsibility for maintaining an emergency management program within their respective jurisdictions. In most jurisdictions, these officials appoint an emergency management coordinator to administer the program. The mayor and county judge are authorized by the Texas Disaster Act to declare a local disaster when conditions exist or when there is an immediate threat. The mayor or county judge may declare a local disaster without the consent of the city council or county commissioners, respectively. However, the declaration may last no longer than seven days unless continued by the city council or county commissioners. During emergencies, local governments are expected to use their own resources first during response operations. If local resources and mutual aid are insufficient, state assistance may be requested. The chief elected official of a local government has the legal authority to order the evacuation of areas within the government's jurisdiction that are at risk from or have been impacted by a disaster.

STAFF/BOARD/COMMISSION RECOMMENDATION:

Recommend approving the rescinding of the previous appointment of the EMC for the City of Willow Park and allow Mayor Moss to appoint a new EMC for the City of Willow Park.

EXHIBITS: Attached form

ADDITIONAL INFO:	FINANCIAL INFO:	
	Cost	\$0
	Source of Funding	\$0

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOW PARK, TEXAS EXTENDING A DECLARATION OF LOCAL DISASTER; ESTABLISHING RULES AND REGULATIONS FOR THE DURATION OF THE DISASTER; ESTABLISHING PENALTIES FOR VIOLATIONS.

WHEREAS, in December 2019 a novel coronavirus, now designated COVID-19, was detected in Wuhan City, Hubei Province, China. Symptoms of COVID-19 include fever, cough, and shortness of breath. Outcomes have ranged from mild to severe illness, and in some cases death; and

WHEREAS, on January 30, 2020, the World Health Organization Director General declared the outbreak of COVID-19 as a Public Health Emergency of International Concern (PHEIC), advising countries to prepare for the containment, detection, isolation and case management, contact tracing and prevention of onward spread of the disease; and

WHEREAS, on March 5, 2020, the World Health Organization Director General urged aggressive preparedness and activation of emergency plans to aggressively change the trajectory of this epidemic; and

WHEREAS, on March 11, 2020, the World Health Organization declared that the COVID-19 outbreak should be characterized as pandemic; and

WHEREAS, the Center for Disease Control and Prevention is closely monitoring the growing number of COVID-19 cases that have spread into the United States; and

WHEREAS, over 8,000 cases of COVID-19 have been reported in the United States, including 150 deaths; and

WHEREAS, a large gathering of unidentifiable individuals without necessary mitigation for the spread of infection may pose a risk of the spread of infectious disease; and

WHEREAS, President Trump declared a national emergency on March 13, 2020; and

WHEREAS, Governor Greg Abbott declared a public health disaster on March 13, 2020; and

WHEREAS, the Center for Disease Control recommends that citizens stop handshaking, clean hands at the door, schedule regular hand washing, avoid touching faces and cover coughs and sneezes, disinfect surfaces like doorknobs, tables, desks, and handrails regularly, and increase ventilation by opening windows or adjusting air conditioning; and

WHEREAS, the Center for Disease Control recommends the use of videoconferencing for meetings when possible, and adjusting or postponing large meetings or gatherings; and

WHEREAS, the Center for Disease Control recommends citizens stay home if they are feeling sick or when they have a sick family member in their home; and

WHEREAS, households with vulnerable seniors and those with underlying health conditions should conduct themselves as if they were a significant risk to the person with underlying conditions; and

WHEREAS, the identification of “community spread” cases of COVID-19 in the United States has signaled that transmission of the virus is no longer limited to those who traveled to China, or had contact with travelers who have visited china; and

WHEREAS, the COVID-19 virus spreads between people who are in close contact with one another through respiratory droplets produced when an infected person coughs or sneezes; and

WHEREAS, the continued worldwide spread of COVID-19 presents an imminent threat of widespread illness, which requires emergency action; and

WHEREAS, a declaration of local disaster includes the ability to take measures to reduce the possibility of exposure to disease, control the risk, and promote the health and safety of Willow Park residents; and

WHEREAS, the City of Willow Park will work collaboratively with Parker County to ensure that all appropriate and necessary measures are taken to limit the development, contraction and spread of COVID-19; and

WHEREAS, pursuant to the Texas Disaster Act of 1975, the mayor is designated as the emergency management director of the City of Willow Park, and may exercise the powers granted to the governor on an appropriate local scale; and

WHEREAS, a declaration of local disaster and public health emergency includes the ability to reduce the possibility of exposure to disease, control the risk, promote health, compel persons to undergo additional health measures that prevent or control the spread of disease, including isolation, surveillance, quarantine, or placement of persons under public health observation, including the provision of temporary housing or emergency shelters for persons misplaced or evacuated and request assistance from the governor of state resources; and

WHEREAS, the Mayor has made a Declaration of Disaster and Public Health Emergency, and by this declaration has the authority to suspend all rules and regulations that may inhibit or prevent prompt response to this threat for the duration of the incident; and

WHEREAS, the Mayor, under the Texas Disaster Act of 1975, has authorized the use of all available resources of state government and political subdivisions to assist in the City’s response to this situation; and

WHEREAS, the Mayor has determined that extraordinary and immediate measures must be taken to respond quickly, prevent and alleviate the suffering of people exposed to and those infected with the virus, as well as those that could potentially be infected or impacted by COVID-19;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WILLOW PARK, TEXAS:

Section 1. The recitals contained in the preamble hereof are hereby found to be true, and such

recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

- Section 2. That the local state of disaster and public health emergency declared by Mayor Doyle Moss for the City of Willow Park pursuant to §418.108(a) of the Texas Government Code on March 20, 2020 is hereby renewed and extended indefinitely, or until such time as it is terminated by order of the City Council pursuant to §418.108(b) of the Government Code.
- Section 3. Pursuant to §418.108(c) of the Government Code, this declaration of a local state of disaster and public health emergency shall be given prompt and general publicity and shall be filed promptly with the City Secretary.
- Section 4. Pursuant to §418.108(d) of the Government Code, this declaration of a local state of disaster and public health emergency activates the City of Willow Park emergency management plan.
- Section 5. Pursuant to §122.005 of the Health and Safety Code, this declaration authorizes the City to take any actions necessary to promote health and suppress disease, including quarantine, examining and regulating hospitals, regulating ingress and egress from the City, and fining those who do not comply with the City's rules.
- Section 6. All ordinances or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters herein.
- Section 7. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 8. In accordance with Texas Government Code §418.173, a person who knowingly or intentionally violates this ordinance, the declaration or rules issued by the Mayor or City pursuant to the declaration and/or §122.005 of the Health and Safety Code, commits an offense, punishable by a fine up to \$1,000.00 or confinement in jail for a term that does not exceed 180 days.
- Section 9. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.
- Section 10. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.
- Section 11. This Ordinance shall take effect immediately upon its adoption and publication.

PASSED, ADOPTED, APPROVED, AND EFFECTIVE THE 24th DAY OF MARCH, 2020.

CITY OF WILLOW PARK, TEXAS

By: _____
Doyle Moss, Mayor

ATTEST:

Alicia Smith, City Secretary

EMERGENCY MANAGEMENT DIRECTOR/COORDINATOR NOTIFICATION

Section 418.101 of the Texas Government Code states: *“The presiding officer of the governing body of each political subdivision will notify the Division of Emergency Management of the manner in which the political subdivision is providing or securing an emergency management program, identify the person who heads the agency responsible for the program, and furnish additional pertinent information.”* **This form is used to make the required notification to TDEM in accordance with Governor Executive Order GA-05 submitted annually by the 1st of February of each year or within 30 days of any change of elected or appointed officials.**

The information on this form may be released to those inquiring about local emergency management programs pursuant to the Texas Open Records Act. Hence, TDEM recommends that you provide business addresses and mobile telephone numbers rather than home addresses and telephone numbers.

COUNTY:		<i>(Required)</i>
Jurisdiction:		<i>(City or County Name)</i>
Official’s Title:		<i>(Mayor/Judge)</i>
Name:		<i>(First & Last Name)</i>
Mailing Address:		<i>(The best address to receive mail)</i>
City, State, Zip:		
Office Number:		
Cell Number:		
Fax Number:		
E-mail:		<i>(Please include – this is a back-up for mailing)</i>
24 Hr Contact #:		

EMERGENCY MANAGEMENT PROGRAM APPOINTMENT STATUS

I HAVE NOT appointed an Emergency Management Coordinator and will personally direct the local emergency management program.

I HAVE appointed/re-appointed the Emergency Management Coordinator identified below to conduct the emergency management program for this jurisdiction. The effective date of the appointment is: _____

We share our EMC with _____ (name of jurisdiction).

If the COUNTY Emergency Management Coordinator has been appointed to other jurisdictions within the county, the County Judge and the participating City Mayors must sign this form.

(See the third page for additional signature blocks.)

The EMC for this jurisdiction is (please select one):

Paid, Full Time, EMC only

Paid, Full Time, EMC and other job duties (Fire Chief, Fire Marshal, Police Chief, EMS Director, Etc.) *(please specify other duty/duties)* _____

Paid part time, EMC only

Paid, Part Time, EMC and other job duties (Fire Chief, Fire Marshal, Police Chief, EMS Director, Etc.) *(please specify other duty/duties)* _____

Unpaid/volunteer EMC only

Unpaid/Volunteer, EMC and other volunteer job duties (Fire Chief, Fire Marshal, Police Chief, EMS Director, Etc.) *(please specify other duty/duties)* _____

Other *(please describe)* _____

EMERGENCY MANAGEMENT COORDINATOR		
	Coordinator	Asst Coordinator
Name:		
Mailing Address:		
City, State, Zip:		
Office Phone:		
Cell Number:		
Fax Number:		
E-mail Address:		
24 Hr Contact #:		
Emergency Operations Center #:		

Check this box if the information above contains personal information pertaining to a law enforcement official such as personal home or cellular phone number, and/or home mailing or personal email address.

Judge's or Mayor's Signature

Date

PLEASE RETURN TO:

Texas Division of Emergency Management

Operations Section

P.O. Box 15467 Austin, TX 78761

Phone: (512) 424-2208

Email: soc2@dps.texas.gov

FOR SHARED EMC USE ONLY

By signing this form, you agree the appointed Emergency Management Coordinator (EMC) listed on page two is also your EMC. If you have a separate EMC, you must submit the first and second pages for your jurisdiction.

	Mayor
City:	
Name:	
Mailing Address:	
City, State, Zip:	
Office Phone:	
Cell Number:	
Fax Number:	
E-mail Address:	
Signature:	

	Mayor
City:	
Name:	
Mailing Address:	
City, State, Zip:	
Office Phone:	
Cell Number:	
Fax Number:	
E-mail Address:	
Signature:	

	Mayor
City:	
Name:	
Mailing Address:	
City, State, Zip:	
Office Phone:	
Cell Number:	
Fax Number:	
E-mail Address:	
Signature:	

RESOLUTION

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF SIX CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

WHEREAS, the City of Willow Park is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and

WHEREAS, the Steering Committee of Cities Served By Oncor (Steering Committee) has historically intervened in Oncor rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee; and

WHEREAS, the Steering Committee functions under the direction of an Executive Committee which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and

WHEREAS, the Steering Committee at its December 2020 meeting set a budget for 2021 that compels an assessment of six cents (\$0.06) per capita; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLOW PARK, TEXAS:

I.

That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Willow Park and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.

II.

The City is further authorized to pay its assessment to the Steering Committee of six cents (\$0.06) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

III.

A copy of this Resolution and the assessment payment check made payable to “*Steering Committee of Cities Served by Oncor*” shall be sent to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o City Attorney’s Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

PRESENTED AND PASSED on this the 23rd day of March, 2021, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Willow Park, Texas.

Signature
Doyle Moss, Mayor

ATTEST:

Signature
Alicia Smith, City Secretary

APPROVED AS TO FORM:

Signature
Pat Chesser, City Attorney