City of Windcrest

AGENDA
CITY COUNCIL MEETING
6:00 PM
FEBRUARY 2, 2026

HONORABLE STEPHEN P. TAKAS, JR. COURTROOM **CCM @ 6 PM**
WINDCREST CITY HALL - 8601 MIDCROWN

NOTICE IS HEREBY GIVEN THAT THE CITY OF WINDCREST CITY COUNCIL WILL HOLD A REGULAR CITY COUNCIL MEETING AT WINDCREST CITY HALL LOCATED AT 8601 MIDCROWN, WINDCREST, TEXAS ON MONDAY, FEBRUARY 2, 2026, STARTING AT 6:00 PM.

THE CITY COUNCIL RESERVES THE OPTION TO RECESS THE MEETING DURING THE EVENING OF MONDAY, FEBRUARY 2, 2026, AND TO RECONVENE THE MEETING ON THE FOLLOWING BUSINESS DAY, TUESDAY, FEBRUARY 3, 2026, AT 9:00 A.M. AT THE WINDCREST CITY HALL, 8601 MIDCROWN, WINDCREST, TEXAS.

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

The City of Windcrest Council Chambers are wheelchair accessible, and accessible parking spaces are available. In compliance with Americans with Disabilities Act, the City of Windcrest will provide reasonable accommodations for persons attending the meeting. To better serve you, requests should be received 48 hours prior to the meeting. Please contact the City Secretary’s Office, at 210-655-0022 ext. 2150 or Fax 210-655-8776, or 711 Texas Relay.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE AND INVOCATION

IV. CITIZENS TO BE HEARD/CITIZEN PARTICIPATION

• Citizens may address the City Council on topics not on the agenda for no more than three (3) minutes.
• Citizens shall also have the opportunity to address the City Council during consideration of posted agenda items for no more than six (6) minutes.
• A City Official may make a statement of specific factual information in response to an inquiry made by a member of the public, or a recitation of existing policy in response to an inquiry made by

a member of the public.

THE FOLLOWING ITEMS MAY BE CONSIDERED AT ANY TIME DURING THE REGULAR COUNCIL MEETING:

V. PRESENTATION

a) Presentation, discussion, and accpetance of the City of Windcrest Annual Comprehensive Financial Report for Fiscal Year ending September 31, 2025.

VI. ORDINANCE

a) City Council will review, discuss and may act on an ordinance amending the City of Windcrest Code of Ordinance Chapter 113 in compliance with HB 2464. 1st Reading [Ronnie J. Guest, Jr., City Manager]

b) City Council will review, discuss, and may act on an ordinance amending Chapter 14 Health, Section 14-8, Construction Waste Disposal and Receptacles. 1st Reading [Ronnie J. Guest, Jr., City Manager]

c) City Council will review, discuss, and may act on an ordinance amending the City of Windcrest Code of Ordinances to provide regulations for portable storage units. 1st Reading [Ronnie J. Guest, Jr., City Manager]

VII. DISCUSSION AND ACTION

a) City Council will review, discuss, and may act on the development of a request for proposals for repairs to the pool amenity at 5609 Winsong. [Susie Hamilton, Council Member Place 1]

b) City Council will review, discuss and may act on approving the Windcrest Little League contract for calendar year 2026. [Cindy Strzelecki, Council Member Place 2]

c) City Council will review, discuss, and may act on a awarding contracts for animal boarding and adoption services in response to RFP 2025-2026-001. [Ronnie J. Guest, Jr., City Manager]

VIII. EXECUTIVE SESSION

The City Council of the City of Windcrest reserves the right to adjourn into executive session at any time during the course of the meeting to discuss any matter listed below. After the conclusion of the executive session, the City Council will reconvene into open session and may take action on any items discussed in executive session.

a) Pursuant to Govt Code §551.087 (economic development) on Industrial Commercial Properties and Windcrest International Business Park status and update.

IX. CITY MANAGER'S REPORT

Any oral report provided by the city manager will be informational only and not for council action. The city manager may provide updates on community and upcoming city events, the status of the operation of individual departments, any unusual activity from any specific department which has occurred since the posting of the agenda, or to provide potential topics of discussion which may appear on a future agenda.

X. GENERAL ANNOUNCEMENTS & FUTURE AGENDA ITEMS REQUESTED

Per Ordinance No. 618, repealing Ordinance No. 593; Section 9: Every agenda shall include an item entry granting a member the opportunity to propose an item for consideration of future agendas for Regular or Special Meetings. Any member may request the inclusion of such items at any meeting.

XI. ADJOURNMENT

DECORUM REQUIRED: Any disruptive behavior, including shouting or derogatory statements or comments may be ruled out of order by the Presiding Officer. Continuation of this type of behavior could result in a request by the Presiding Officer that the individual leave the meeting, and if refused, an order of removal.

ACTION BY COUNCIL AUTHORIZED: The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code § 551.072 (Deliberations about Real Property); § 551.073 (Deliberations about Gifts & Donations); § 551.076 (Deliberations about Security Devices); §551.087 (Economic Development); §551.074 (Personnel Matters); and § 551.071 (Consultation with Attorney) to seek the advice of its attorney about pending or contemplated litigation, 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 conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The attorney may appear in person or appear in executive session by conference call in accordance with applicable state law.

EXECUTIVE SESSIONS APPROVED BY CITY ATTORNEY: This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

ATTENDANCE BY OTHER ELECTED OR APPOINTED OFFICIALS: It is anticipated that members of other city boards, commissions and committees may attend the meeting in numbers that may constitute a quorum of such other city boards, commissions and committees, so that notice is hereby given that the meeting is also a meeting of the other city boards, commissions and committees whose members are in attendance. The members of the other city boards, commissions and committees may participate in discussions which occur at the meeting, but no action will be taken by the other boards, commissions, and committees whose members are in attendance.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the City Council of the City of Windcrest is a true and correct copy of said Notice and was posted on the bulletin board at City Hall of said City in a convenient place to the public and said Notice was posted more than three (3) business days prior to the meeting on February 2, 2026.

BY:

Rachel C. Dominguez, TRMC
City Secretary

Communication with Those Charged with Governance

To Management, Mayor and City Council of
City of Windcrest

We have audited the financial statements of the City of Windcrest as of and for the year ended September 30, 2025, and have issued our report thereon dated January 19, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 3, 2025, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Windcrest solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Windcrest is included in Note 1 to the financial statements. There were no significant new accounting policies adopted and no changes in significant accounting policies or their application during 2025 except for the following:

> As required, the City implemented GASB Statement 101 related to compensated absences. Previously only employee absences that would be paid on termination were included in a liability for compensated absences on the financials. Now, any time paid out on termination or more likely than not to be taken as time off is included. This mainly impacted sick leave and had the impact of increasing the liability. This included a prior period adjustment to account for what the balance would have been in the prior year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Useful lives of depreciable assets
2. Allowance for uncollectible property tax and garbage receivables
3. Accumulated employee absences more likely than not to be taken as time off or paid out
4. Mortality rates, investment returns, discount rates, health care cost trends and other expected conditions related to
   a. Pension plan
   b. Supplemental Death Benefit

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Windcrest's financial statements related to the net pension liability, total other post-employment liabilities, and tax incentives/litigation.

Significant Difficulties Encountered during the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Representations Requested from Management

We have requested certain written representations from management in a separate letter dated January 19, 2026.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Windcrest's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The following error has not been corrected as the impacts are considered to be immaterial to the current and prior year: 2025 health insurance expenditures are overstated by $54,643 in the general fund, $895 in garbage fund and $8,058 in CCPD. These amounts should have been reported in 2024 and relate to a voided payment. Rather than adjust the prior year, the difference is recorded in 2025.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We assisted management with routine entries such as updating debt balances, capital asset balances and net pension/other post-employment benefit liabilities.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in City of Windcrest's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Windcrest, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Windcrest's auditors.

This information is intended solely for the information and use of the Mayor, City Council and management of City of Windcrest and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, PC
January 19, 2026

City of Windcrest
Audit Highlights
September 30, 2025

OVERVIEW		Report Page
Clean Opinion (means we agree annual report is accurate)	YES	2
Material or Significant Findings	NO	108
Any Other Written Findings or Recommendations	NO	

General Fund Trends	2023	2024	2025	Budget	53
Total Revenue	9,134,552	10,455,134	10,078,041	9,778,639	
Total Expenditures	10,596,989	10,754,619	10,006,785	11,390,759	
Other Sources (Uses)	1,084,985	300,000	569,936	522,436	
Change in Fund Balance	(377,452)	515	641,192	(1,089,684)	
Beginning Fund Balance	5,358,971	4,981,520	4,982,035		
Ending Fund Balance	4,981,519	4,982,035	5,623,227		18
Capital Expenditures	1,686,753	215,442	104,376		20
MEIA Payment	-	700,000	-		
Assigned for Swimming Facility	-	535,000	535,000		
% of Noncapital Expenditures					
Without Swim Facility	56%	45%	51%		
With Swim Facility	56%	51%	57%		

Other Fund Balances	2023	2024	2025	
Garbage	240,072	475,661	642,570	22
Hotel Tax	326,707	344,130	364,352	63
Debt Service	36,929	36,578	64,054	64
CCPD	926,130	579,905	267,945	75
EDC	2,593,357	1,376,044	1,856,012	77
Street Sales Tax	1,217,650	1,400,210	1,737,634	18
2019 Street Bond	441,925	-	-	

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2025

PREPARED BY

FINANCE DEPARTMENT
NATALIA WITMER, MUNICIPAL FINANCE OFFICER

CITY OF WINDCREST, TEXAS
TABLE OF CONTENTS
SEPTEMBER 30, 2025

INTRODUCTORY SECTION

PAGE

LETTER OF TRANSMITTAL ... ii
ELECTED AND APPOINTED OFFICIALS ... vii
ORGANIZATIONAL CHART ... viii
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING ... ix

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT ... 2
MANAGEMENTS DISCUSSION AND ANALYSIS ... 5
BASIC FINANCIAL STATEMENTS ... 13
STATEMENT OF NET POSITION ... 14
STATEMENT OF ACTIVITIES ... 16
BALANCE SHEET – GOVERNMENTAL FUNDS ... 18
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION ... 19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS ... 20
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES ... 21
STATEMENT OF NET POSITION - PROPRIETARY FUND ... 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND ... 23
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS ... 24
NOTES TO BASIC FINANCIAL STATEMENTS ... 26

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND ... 53
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS ... 55
SCHEDULE OF CITY PENSION CONTRIBUTIONS ... 57
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY ... 58
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION ... 59

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS ... 63
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS ... 65
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FORFEITURE FUND ... 67
SCHOOL CROSSING FUND ... 68
POLICE GRANTS AND DONATIONS FUND ... 69
COURT TECHNOLOGY FUND ... 70
COURT SECURITY FUND ... 71

PUBLIC EDUCATION FUND 72
HOTEL MOTEL TAX FUND 73
DEBT SERVICE FUND 74
COMPARATIVE BALANCE SHEETS - CRIME CONTROL AND PREVENTION DISTRICT 75
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - CRIME CONTROL AND PREVENTION DISTRICT 76
COMPARATIVE BALANCE SHEETS - ECONOMIC DEVELOPMENT CORPORATION 77
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT CORPORATION 78
COMPARATIVE BALANCE SHEETS - GENERAL FUND 79
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND 80

STATISTICAL SECTION

NET POSITION, BY COMPONENT 82
CHANGE IN NET POSITION 84
FUND BALANCES - GOVERNMENTAL FUNDS 88
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS 90
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS 92
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY 93
DIRECT AND OVERLAPPING PROPERTY TAX RATES 94
PRINCIPAL PROPERTY TAX PAYERS 95
PROPERTY TAX LEVIES AND COLLECTIONS 96
RATIOS OF DEBT OUTSTANDING BY TYPE 97
RATIOS OF GENERAL BONDED DEBT OUSTANDING 98
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT 99
DEBT MARGIN INFORMATION 100
DEMOGRAPHIC AND ECONOMIC STATISTICS 101
TOP TEN PRINCIPAL EMPLOYERS 102
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION 103
OPERATING INDICATORS BY FUNCTION/PROGRAM 104
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM 106

COMPLIANCE SECTION

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* 108

INTRODUCTORY SECTION

City of Windcrest

January 19, 2026

Honorable Mayor, Mayor Pro Tem, Council Members, and Citizens of the City of Windcrest:

We are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the City of Windcrest ("City") for the fiscal year that ended September 30, 2025. State law requires that all governmental units publish financial statements presented in conformity with generally accepted accounting principles ("GAAP"), audited by a licensed public accountant, and within six months of the close of each fiscal year.

Management is responsible for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures. The purpose of the ACFR is to provide complete and accurate financial information. The City's financial management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

The City's basic financial statements are audited by independent certified public accountants selected by the Finance Committee and approved by the City Council. This requirement has been met, and the unmodified audit opinion on the primary government rendered by Armstrong, Vaughan & Associates, P.C. is included in the financial section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Windcrest is a home-rule city that incorporated in 1959. The City of Windcrest is a residential community in Northeast Bexar County that covers 2.5 square miles with an estimated population of 6,151. Located east of Interstate 35 and interconnecting with interstate 410 east, Windcrest runs along the north side of Walzem road. In September 2007, the city limits expanded by approximately 111 acres south to Eisenhauer Road and eastward on Eisenhauer Road to Midcrown Drive. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City has adopted a Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council that is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large for a two year term. Elections are staggered with the Mayor and two Council Members elected together (year 2025) and the three remaining members in 2024. The City Manager is appointed by the Council and is responsible for implementing city council policy and day-to-day operations of the City.

The City of Windcrest employs approximately 84.5 employees and provides a full range of municipal services including public safety (police, fire); construction and maintenance of the City streets; residential and commercial solid waste sanitation services (through a franchise agreement with BFI Waste Services of Texas, L.P., dba Republic Waste Services), public improvements, repair and maintenance of infrastructure, recreational and community activities and general administrative services.

The City of Windcrest Economic Development Corporation (EDC) is considered to meet the criteria of a component unit and is included in the report as a discretely presented component unit. The EDC is governed by a seven-member board, appointed by City Council. The EDC is funded through a quarter cent Section 4B sales tax. The City is financially accountable for the EDC because the City appoints the governing body and the City is obligated to finance any deficits that may occur.

An annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriations in April of each year. The City's Municipal Finance Officer and City Manager use these requests as a starting point in developing a proposed budget. During the months of July and August, weekly workshops are held with City Council members present. Public hearings for the budget are held in August and early September.

The budget must provide a complete financial plan for all City funds for the ensuing fiscal year showing:

- An itemized estimate of the expenditures of conducting each department, division and office.
- Reasons for proposed increase or decrease of such items of expenditure compared with the current fiscal year.
- A narrative statement for each department indicating projects to be accomplished by the department. The narrative shall state specifically all capital expenditures proposed during the year, all major projects on which work will be performed and any extraordinary items included in the budget.
- A statement of the total probable revenues of the City from taxes by category for the fiscal year.
- Tax levies, rates, and collections for the preceding five years.
- An itemization of all anticipated revenue from all sources other than taxes.
- The amount required for interest on the City's debts, for sinking fund and for maturing bonds or other obligations.
- The total amount of outstanding City debts and other obligations, with a schedule of payments and maturities.
- The total amount established for addition to reserve funds.
- A capital program, which may be revised and extended each year to indicate capital expenditures pending or in process of construction or acquisition.
- Such other information as may be required by the City Council.

According to the city charter, the Council shall adopt the budget no later than the 30th of September. However, if the City Council takes no final action on or prior to such date, the budget from the previous year shall be in effect on a month-to-month basis until approved by a majority of the City Council. (https://www.windcrest-tx.gov/DocumentCenter/View/1039/Windcrest-Home-Rule-Chartefinalpdf). All budgets are adopted on an annual basis except for capital projects funds (which are based on the length of the project).

LOCAL ECONOMY

The information presented in the financial statements are perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Windcrest operates.

The City is located at the center of one of the state's most active growth areas. It is adjacent to the City of San Antonio, the second largest city in Texas. The City has a close proximity to major airports and major military bases. The City is also strategically located at one of the busiest intersections in the San Antonio area, the Interstate 35 and Loop 410 intersection. Windcrest's convenient location along the boundaries of Interstate 35, one of the largest trade corridors in the nation, continues to provide for a positive impact to the City.

On March 22, 2024, the Master Economic Incentive Agreement (MEIA) between the City of Windcrest and Rackspace was terminated. The after effect of the MEIA termination resulted in approximately 30% reduction in Sales Tax revenues in Fiscal Year 23-24. The shortfall in Sales Tax revenue is projected to continue in the Fiscal Year 24-25 and 25-26 The new Master Economic Incentive Agreement (MEIA) was signed with ICP and resulted in the opening of Windcrest International Business Park. The Windcrest International Business Park demolition and improvements by ICP included a complete upgrade to the entire exterior. The second level of over 100,000 square feet has been demolished and select column removal continues to prepare for commercial / industrial uses most in demand. Prospect leads are steady and the first tenants are expected in 2026.

Because the City is adjacent to the City of San Antonio, the local economy is anchored by what happens in the San Antonio Metropolitan Statistical Area. This area enjoys the benefit of a diversified economy. Major anchors of the economy in this area are the medical/biomedical industry, the military industry, tourism, telecommunications, insurance, financial and manufacturing. The national state of economy continues to show signs of substantial growth and strength. As a result, commercial growth and the future new development will help the City of Windcrest to recover from the current Sales Tax revenue shortfall.

LONG-TERM FINANCIAL PLANNING

The City's Strategic Planning Retreat was held on February 9, 2021. All participants, including Mayor and the City Council; department heads; boards, commissions and committee members gathered to reevaluate and reestablish the City of Windcrest long term planning.

The main goals of this retreat were: Five-year plan for the City of Windcrest; 5-year financial plan; sense of consolidated direction for the City; sense of where we focus energy and funds as a great place to live and work, what has been good for the city; what has worked and not worked; exactly where Council is at and how Departments can help; 10-year financial plan; better understanding of Windcrest and limited available landmass; what is target population for the City; more identification of priorities of the citizens and City Council needs; more training for Boards and Commissions; communication, planning, and completion of work; clear concise City implementation plan; recommendations for future planning of the City; shared vision of consensus for direction and more detail on how positions can contribute to that vision; overview of City and desires of the community for the City; get direction from City Council for the Fire Department and alignment; fast Emergency Services; good deal for services paid for by City; response as soon as possible and follow-up; better virtual online presence.

The 1st phase implementation of the strategic planning started on July 2021 and continued through fiscal year 2023. The main cornerstone areas are: Infrastructure, Public Services, Parks and Recreation, Economic Development, Schools, Marketing and Communication.

These updated plans should take the City well into the future.

RELEVANT FINANCIAL POLICIES

Budgeting controls are governed by the City's Charter. Throughout the budgeting process, the City Council may make financial policies that dictate the uses and sources of funds for various needs. The City Charter and a comprehensive set of fiscal policies designed to: (1) provide for an acceptable level of services and products effectively; (2) provide for an acceptable level; of services as the community grows; (3) ensure that the City is living within its means; and (4) provide reserves for unbudgeted needs that might arise from time to time. As such, the City continues to develop and maintain financial management programs to ensure its long—term ability to pay for the cost necessary to provide the services required by citizens. Similarly, the City will maintain financial records management information system capable of tracking revenues and expenditures line—item, by source, by fund, by department, or any other format deemed necessary or desirable. The accounting system are in conformity with the generally accepted accounting principles as specified by the Municipal Finance Officer Association's "Governmental Accounting, Auditing, and Financial Reporting", and pronouncement issued by the Governmental Accounting Standard Board. Additionally, the City has established stand—alone investment, purchasing and travel and training policies.

MAJOR INITIATIVES

Key initiatives for the City of Windcrest emphasize improving residents' quality of life, guaranteeing economic viability, and prioritizing essential infrastructure investments. Prioritization is essential because of constrained resources, necessitating innovative solutions, grant requests, and collaborations with the community.

Objectives for the year included maintaining or improving the quality of professional services across all sectors. A positive mindset from everyone will ensure our citizens that we are here to serve them. The City intends to sustain a continuous dedication to various significant initiatives alongside the endorsed Strategic Plan.

Economic Development: To ensure long-term viability, City of Windcrest is focusing on attracting and retaining businesses and diversifying their economic base. Simplifying permitting procedures to enhance business friendliness and diminish obstacles to development. Highlighting distinctive local traditions and historical elements to draw in visitors and potential new residents.

Enhancements to infrastructure: The seven-year capital improvement master plan has allocated around $11 million for road repairs and upkeep. At present, the City of Windcrest is in its 6th year of implementation and undergoing a reevaluation process to assess and extend the existing master plan for an additional 7 years.

City Infrastructure: In conjunction with the strategic plan, one of the initiatives focused on was the Windcrest Swimming Pool amenity. The swimming pool amenity is no longer in operation due to the structural issues and safety concerns. The Windcrest Swimming pool facility is still a hot topic of discussion in FY 25-26. The forthcoming master plan for Parks and Recreation will assist in pinpointing additional areas of concern and initiatives that will be analyzed for future development. These plans remain a driving force in shaping goals and objectives to direct our City as we progress into the future.

Community Protection: A larger portion of General Fund dollars is allocated to public safety than to any other use. The general fund budget of the City has allocated more than $5 million for Police and Fire services. The safety of the City of Windcrest and its residents is the top priority for the Windcrest City.

The City also utilizes budgetary controls. Legally, expenditures cannot exceed the appropriated amount. The objective of these budgetary controls is to ensure compliance with the adopted budget approved by the City Council as mandated by the city charter and state law. The levels of budgetary control are established at the fund and department level. The City Manager may reallocate budget within a department without approval by the City Council but any adjustments across departments must be approved by City Council. Staff believes these controls help monitor and direct approved expenditures to a level within the budget parameters which directly results in a strong financial performance.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to the cities for its annual comprehensive financial report (ACFR) that meets certain award requirements. For the 2023-2024 fiscal year the City was awarded this honor for the 2nd time. To be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR meets the Certificate of Achievement Program's requirements to continue our excellence in financial reporting, and we are submitting it to the GFOA to determine its eligibility for this certificate.

The preparation of this report was made possible by the efficient and dedicated service of the entire staff of the Finance departments. We appreciate the efforts of everyone involved. We wish to also express our appreciation to the Mayor and all City Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances. We would like to express our appreciation to all members of the City staff who assisted in and contributed to the preparation of this report.

Respectfully Submitted,

Ronnie Guest
City Manager

N. Witmer

Natalia Witmer
Municipal Finance Officer

CITY OF WINDCREST, TEXAS
ELECTED AND APPOINTED OFFICIALS
YEAR ENDED SEPTEMBER 30, 2025

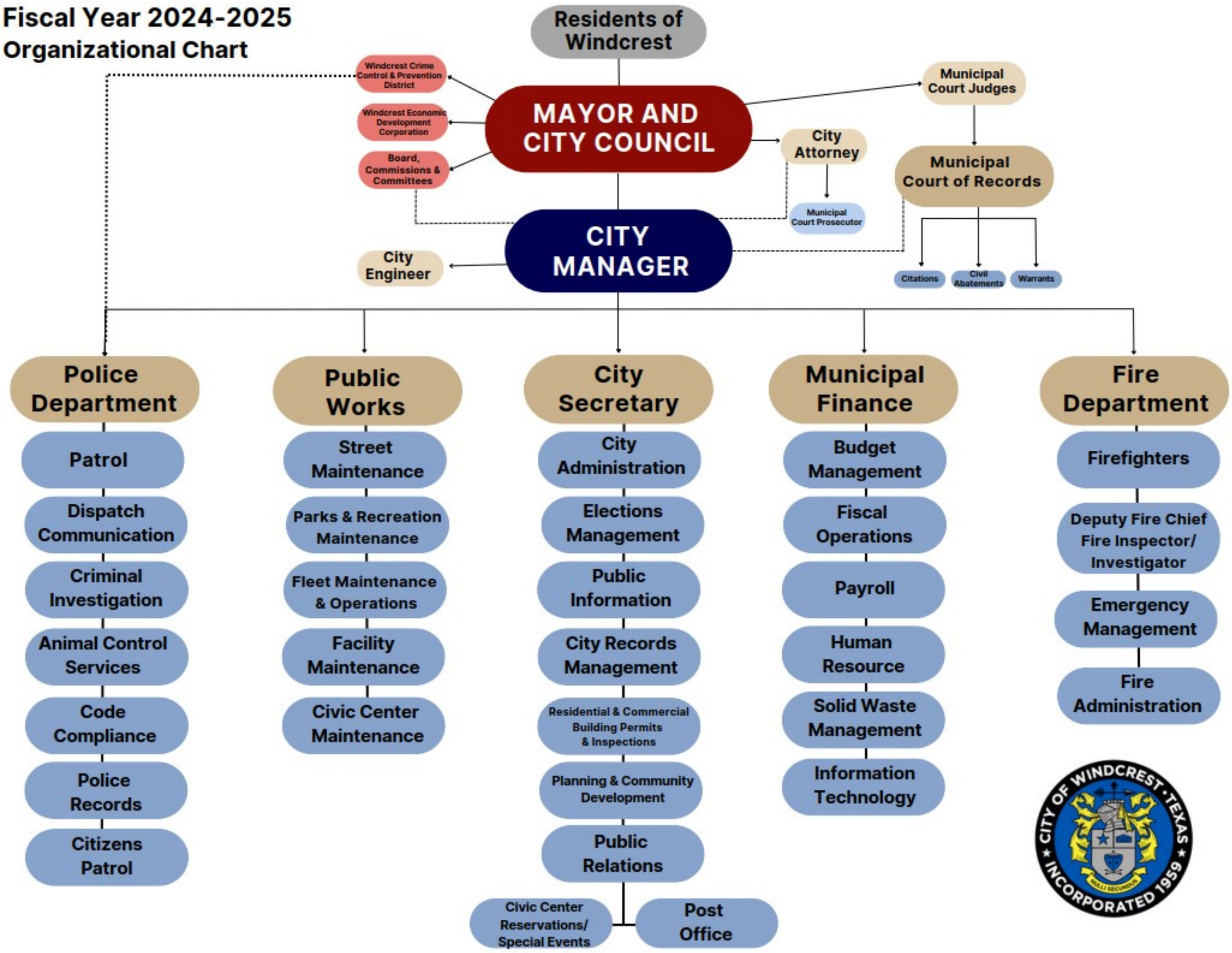
ELECTED OFFICIALS

MAYOR	DAN REESE
CITY COUNCIL, PLACE 1	SUSIE HAMILTON
CITY COUNCIL, PLACE 2	CINDY STRZELECKI
CITY COUNCIL, PLACE 3	GREG TURNER
CITY COUNCIL, PLACE 4	MARCUS YAX
CITY COUNCIL, PLACE 5	ADAM ASTLEFORD

APPOINTED OFFICIALS

CITY MANAGER	VACANT
MUNICIPAL FINANCE OFFICER	NATALIA WITMER
CITY SECRETARY	RACHEL DOMINGUEZ
POLICE CHIEF	DAVID ELLIS
FIRE CHIEF	IVAN HERNANDEZ
PUBLIC WORKS DIRECTOR	EDWARD DEHOYOS
MUNICIPAL COURT JUDGE	STEVE TAKAS
CITY ATTORNEY	DAVIDSON, TROILO, REAM & GARZA, PC

Fiscal Year 2024-2025
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Windcrest
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Windcrest, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Windcrest, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Windcrest's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information for City of Windcrest, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Windcrest Economic Development Corporation were not audited in accordance with *Government Auditing Standards.*

We are required to be independent of the City of Windcrest and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in note 16 to the financial statements, the City implemented GASB Statement 101 as of October 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Windcrest's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to the City's net pension and total other postemployment benefit liabilities, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Windcrest's basic financial statements. The supplementary information (as identified in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2026 on our consideration of City of Windcrest'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 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 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 City of Windcrest's internal control over financial reporting and compliance.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

January 19, 2026

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the City of Windcrest, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Windcrest for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2025 by $15.0 million (net position). Of this amount $4.4 million (unrestricted net position), may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position decreased from operations by $55 thousand. Total revenues changed less than 1% but total expenses decreased 8%. Large expenses in the previous year for economic development incentives and changes in pension plan benefits did not recur.

- As of September 30, 2025, the City's governmental funds reported combined ending fund balances of $8.2 million, an increase of $1.1 million. The City placed cost controls in place because of budget constraints that led to spending significantly under budget.

- The City's General Fund reported a year end fund balance of $5.62 million, an increase of $641 thousand from the prior year. The unassigned fund balance of $5.0 million represents 50% of total General Fund expenditures and 51% of expenditures when capital outlay is not included in the expenditures.

- Total revenues for the City's governmental funds decreased $464 thousand or 4% from the previous year. Growth in property tax revenue offset the loss of the one-time early termination payments from an economic development agreement. Total governmental fund expenditures decreased $1.5 million or 11%. In the prior year, the general fund incurred $700 thousand to enter into a new economic development agreement and significant street improvements were conducted from the last remaining balance of the street bond package. Those expenditures did not recur in 2024-2025 and the City implemented cost cutting measures because of budgetary constraints.

- A promissory note for $72 thousand was issued to purchase a vehicle.

Overview of the Financial Statements

The discussion and analysis is intended to serve as the introduction of the City of Windcrest, Texas' basic financial statements which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

<u>Government-Wide Financial Statements</u> – 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 financial presentation.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two 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 their user fees and charges (business-type activities). The governmental activities of the City include general government, debt service, special revenue funds, and capital projects. The business-type activities of the City include a garbage service fund. The government-wide financial statements can be found beginning on page 14 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 and proprietary, and utilize different accounting approaches.

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 available for current spending, as well as on balances of resources available for spending 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven (11) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and street project fund, which are considered to be major funds. Data from the other nine (9) governmental funds are combined into a single, aggregated presentation beginning on page 18. The City adopts an annual appropriated budget for all governmental funds except capital projects. A budgetary comparison statement has been provided for the General Fund, all special revenue funds, the Windcrest Crime Control and Prevention District and the Economic Development Corporation to demonstrate compliance with this budget. The budget comparison statements can be found beginning on page 67 of this report.

Proprietary Funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. The City maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for the operation and maintenance of its garbage service. The basic proprietary fund financial statements can be found beginning on page 22 of this report.

Notes to the Basic 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 financial statements can be found beginning on page 26 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budgetary comparisons and progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and retirees. Required supplementary information can be found beginning on page 52 of the City's annual comprehensive financial report.

The combining statements referred to earlier as the City's nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and supporting schedules can be found in the supplementary information beginning on page 63 of the City's annual comprehensive financial report.

Government-wide Financial Analysis

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $15.0 million (net position). Of this amount $4.4 million (unrestricted net position) may be used to meet the ongoing obligations to citizens and creditors. The largest portion of the City's net position (54%) is its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's unrestricted net position is approximately 29% of total net position and approximately 17% represents resources that are subject to external restrictions on how they may be used.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 13,717,886	$ 13,484,320	$ 860,025	$ 690,709	$ 14,577,911	$ 14,175,029
Capital Assets	15,887,982	17,842,772	111,459	101,782	15,999,441	17,944,554
Total Assets	29,605,868	31,327,092	971,484	792,491	30,577,352	32,119,583
Deferred Outflows of Resources	574,232	1,012,307	-	-	574,232	1,012,307
Liabilities						
Current Liabilities	5,435,609	6,316,141	271,960	233,870	5,707,569	6,550,011
Long-term Liabilities	9,748,828	11,050,844	56,953	82,959	9,805,781	11,133,803
Total Liabilities	15,184,437	17,366,985	328,913	316,829	15,513,350	17,683,814
Deferred Inflows of Resources	627,522	262,149	-	-	627,522	262,149
Net Position						
Net Investment in Capital Assets	8,016,584	9,475,285	54,506	18,823	8,071,090	9,494,108
Restricted	2,560,750	2,096,050	-	-	2,560,750	2,096,050
Unrestricted	3,790,807	3,138,930	588,065	456,839	4,378,872	3,595,769
Total Net Position	$ 14,368,141	$ 14,710,265	$ 642,571	$ 475,662	$ 15,010,712	$ 15,185,927

The City implemented GASB 101 during the 2024-2025 year which increased the liability for compensated absences and required a prior period adjustment. See note 16 to the financial statements.

During the year ending September 30, 2025, the City's net position decreased by $55 thousand. The following table indicates changes in net position for the governmental and business-type activities for the City as of September 30, 2025.

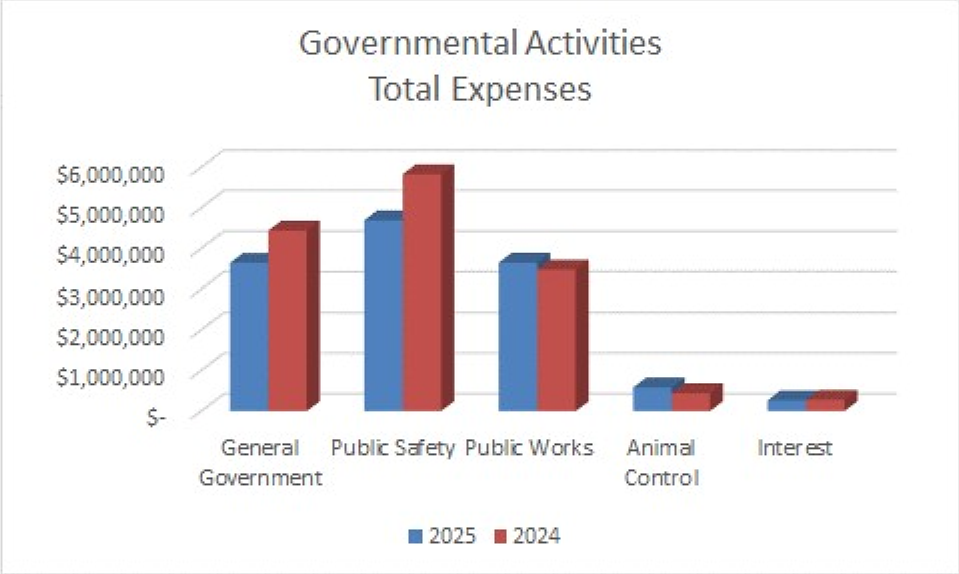
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
Revenues:	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for Services	$ 1,598,250	$ 1,518,292	$ 3,503,210	$ 3,222,486	$ 5,101,460	$ 4,740,778
Operating Grants and Contributions	126,462	402,289	-	-	126,462	402,289
Capital Grants and Contributions	-	61,377	-	-	-	61,377
General Revenues						
Taxes						
Property Taxes	4,032,534	3,410,564	-	-	4,032,534	3,410,564
Sales and Mixed Beverage	4,984,214	4,931,308	-	-	4,984,214	4,931,308
Franchise Taxes	543,346	581,236	-	-	543,346	581,236
Occupancy Taxes	332,938	344,431	-	-	332,938	344,431
Investment Earnings	280,498	351,681	904	1,145	281,402	352,826
Miscellaneous	269,904	986,843	-	-	269,904	986,843
Total Revenues	12,168,146	12,588,021	3,504,114	3,223,631	15,672,260	15,811,652
Expenses:						
General Government	3,646,247	4,441,356	-	-	3,646,247	4,441,356
Public Safety	4,695,172	5,830,366	-	-	4,695,172	5,830,366
Public Works	3,651,914	3,478,358	-	-	3,651,914	3,478,358
Animal Control	581,606	442,299	-	-	581,606	442,299
Garbage Service	-	-	2,887,205	2,688,041	2,887,205	2,688,041
Interest	265,236	278,228	-	-	265,236	278,228
Total Expenses	12,840,175	14,470,607	2,887,205	2,688,041	15,727,380	17,158,648
INCREASE IN NET POSITION BEFORE TRANSFERS	(672,029)	(1,882,586)	616,909	535,590	(55,120)	(1,346,996)
Transfers In (Out)	450,000	300,000	(450,000)	(300,000)	-	-
CHANGE IN NET POSITION	(222,029)	(1,582,586)	166,909	235,590	(55,120)	(1,346,996)
BEGINNING NET POSITION	14,710,265	16,292,851	475,662	240,072	15,185,927	16,532,923
Prior Period Adjustment	(120,095)	-	-	-	(120,095)	-
ENDING NET POSITION	$ 14,368,141	$ 14,710,265	$ 642,571	$ 475,662	$ 15,010,712	$ 15,185,927

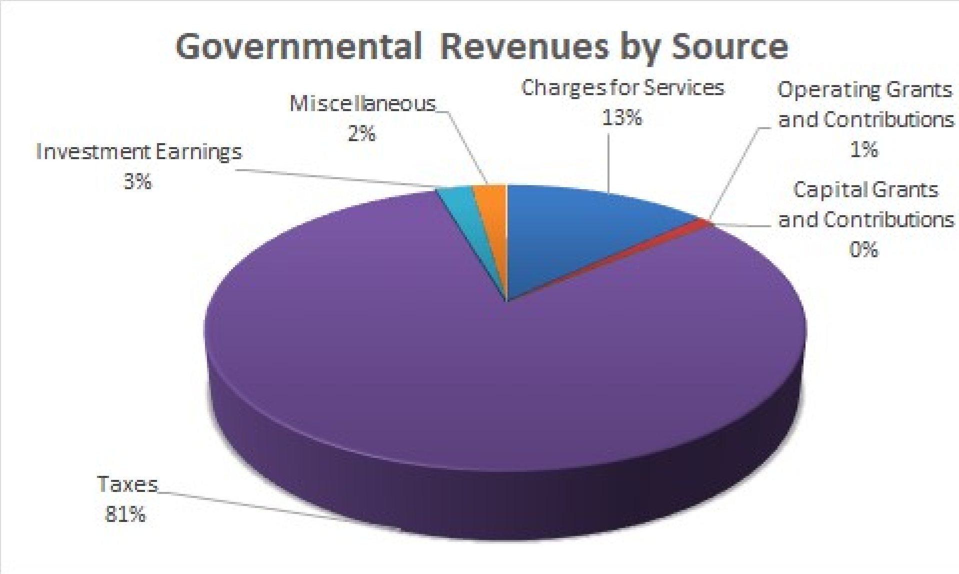
Governmental Activities – Governmental activities decreased the City's net position by $222 thousand. Key elements are as follows:

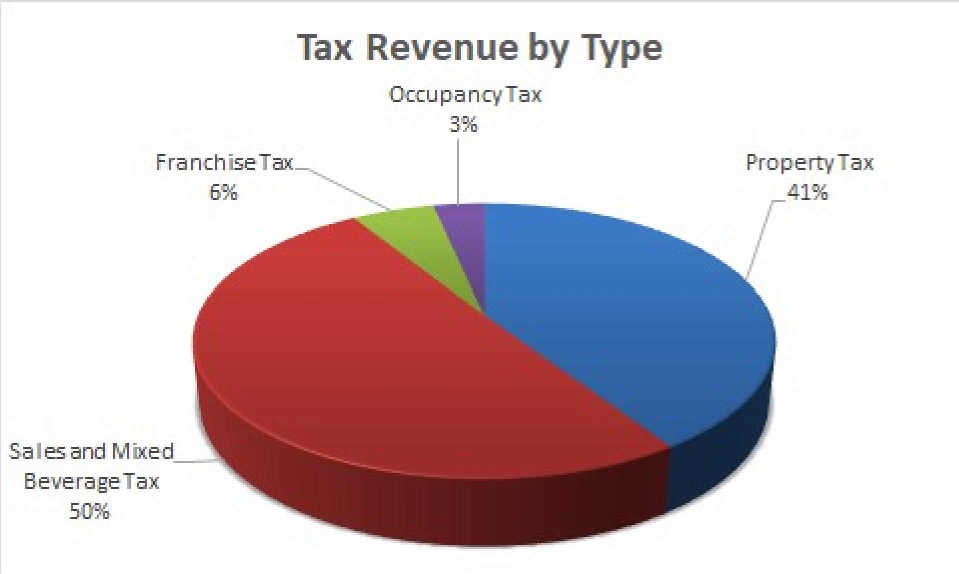
- Miscellaneous income decreased $716 thousand which was from the early termination of an economic development agreement in 2024.
- Governmental activities expenses decreased $1.6 million. The City put in place cost controlling measures because of budgetary constraints. In addition, the following two large items in 2024 did not recur:
    - $700 thousand was for a new economic development agreement
    - $758 thousand additional pension expense for change in plan benefits.

Below is a chart which depicts the expenses for all governmental activities.

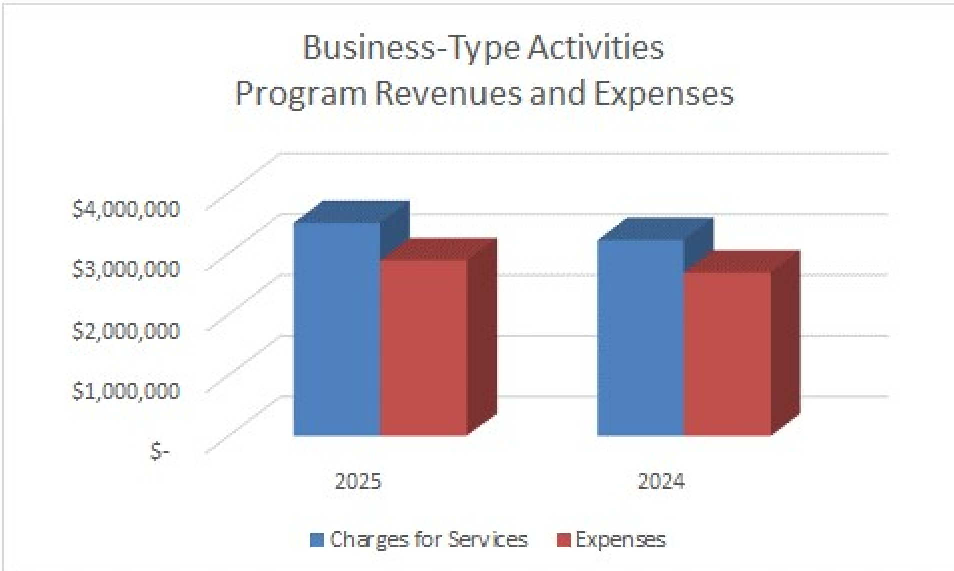


The following charts show governmental activities revenues by source and a breakdown of taxes by type.





Business-Type Activities - The City's business-type activities consist solely of garbage services. These activities have rates and spending plans established by the City Council. Revenue from residential garbage service increased 5% while commercial services increased 10%. The City contracts for the collection service which includes provisions for annual inflation adjustments. Collection cost for the year saw an 8% increase for residential and a 5% increase for commercial. The following chart presents the revenues compared to the expenses for each of the last two fiscal years.



Financial Analysis of the Government's Funds

As noted earlier, the City of Windcrest 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.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $8.2 million, an increase of $1.1 million from the prior year. $5.0 million (61%) of the ending fund balance is unassigned, which is available for spending at the City's discretion. The remaining amount of $3.2 million (39%) is nonspendable, assigned or restricted for specific purposes.

The City's general fund is the chief operating fund of the City and is used to account for all financial resources except those required to be accounted for by another fund. Property and sales taxes provide the major source of income. At the end of the 2025 fiscal year, the unassigned fund balance portion of the general fund was $5.0 million compared to $4.4 million in the prior year. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The street maintenance fund's revenues decreased $9 thousand based on market conditions, but significant street improvements are continuing. The fund has $1.7 million in fund balance to continue these improvements in future years.

Other nonmajor fund activities were similar to the prior year with revenues decreasing 6% (grant related) and expenditures decreasing $562 thousand for prior year completion of street bond projects.

Proprietary Fund – The City's proprietary funds provide the same information found in the government-wide financial statements for business-type activities.

Budgetary Highlights

General Fund – The City amended the budget during the year to account for legal fees and animal control expenses that were higher than anticipated in the original budget. The budget anticipated reducing fund balance by $1.1 million. However, actual results led to an increase in fund balance of $641 thousand.

Below is a brief summarization of the major differences between the final amended budget and actual results for both revenues and expenditures.

- Municipal court fines exceeded the budget by $114 thousand. Actual results represented an increase of 8% over the prior year. The City budgets this revenue conservatively as it is not as reliable.
- General government expenditures were under budget $296 thousand. Part of the decrease was from a vacancy in the City manager position. This also caused Finance to exceed the budget as additional compensation was provided to the Municipal Finance Officer for duties absorbed in the interim.
- Police department spending was $791 thousand under budget. The police department is the largest department of the City and several vacancies were left unfilled during the year because of budgetary constraints.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025 amounted to $16.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, park facilities, and machinery and equipment. The only significant activity during the year ending September 30, 2025 was the completion of a phase of street improvements. More detailed information on the City's capital asset activity is presented in the notes to the financial statements please refer in note 5 (beginning on page 37).

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 347,050	$ 347,050	$ -	$ -	$ 347,050	$ 347,050
Buildings and Improvements	-	1,071,571	-	-	-	1,071,571
Total Not Depreciated	347,050	1,418,621	-	-	347,050	1,418,621
Buildings and Improvements	2,530,531	2,530,531	12,240	12,240	2,542,771	2,542,771
Streets and Infrastructure	28,550,346	26,984,778	-	-	28,550,346	26,984,778
Machinery and Equipment	6,818,603	7,361,107	199,321	157,171	7,017,924	7,518,278
Accumulated Depreciation	(22,358,548)	(20,452,265)	(100,102)	(67,629)	(22,458,650)	(20,519,894)
Total Depreciated	15,540,932	16,424,151	111,459	101,782	15,652,391	16,525,933
Total	$ 15,887,982	$ 17,842,772	$ 111,459	$ 101,782	$ 15,999,441	$ 17,944,554

Long-Term Debt – As of September 30, 2025, the City had total bonded debt outstanding of $6.5 million. This amount is backed by the full faith and credit of the City. A new promissory note was issued for $72 thousand to finance a vehicle purchase. More detailed information about the City's long-term liabilities is presented in notes 6 and 7 (beginning on page 39) of the notes to the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds						
Series 2019	$ 6,520,000	$ 6,900,000	$ -	$ -	$ 6,520,000	$ 6,900,000
Notes Payable	757,742	784,302	56,953	82,959	814,695	867,261
TOTALS	$ 7,277,742	$ 7,684,302	$ 56,953	$ 82,959	$ 7,334,695	$ 7,767,261

Economic Factors and Next Year's Budgets and Rates

The 2025-2026 budget levied a tax rate of 0.446226 per $100 of valuation (an increase from the 2024-2025 rate of 0.393917). This is expected to increase property tax revenues approximately $500 thousand. General fund spending is budgeted to remain similar to the 2024-2025 levels. Until the redevelopment of the old mall property is fully in place, the City expects more downward pressure on sales tax collections. No significant changes are expected to City services.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the finance department, at the City of Windcrest, 8601 Midcrown, Windcrest, Texas 78239.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements
    - Governmental funds
    - Proprietary fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF WINDCREST
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Windcrest Economic Development Corporation	Windcrest Crime Control & Prevention District
ASSETS					
Cash and Cash Equivalents	$ 12,582,825	$ 631,211	$ 13,214,036	$ 1,744,451	$ 145,327
Investments	26,498	-	26,498	-	-
Receivables (net of allowances):					
Property Taxes	124,781	-	124,781	-	-
Sales Tax	767,766	-	767,766	127,278	127,243
Other	142,537	228,814	371,351	-	-
Prepaid Expenses	73,479	-	73,479	470	74,705
Capital Assets:					
Land	347,050	-	347,050	-	-
Buildings and Improvements (net)	400,200	7,038	407,238	-	51,026
Right to Use Facility (net)	-	-	-	38	-
Streets and Infrastructure (net)	13,282,564	-	13,282,564	-	12,779
Machinery and Equipment (net)	1,858,168	104,421	1,962,589	5,206	616,607
TOTAL ASSETS	29,605,868	971,484	30,577,352	1,877,443	1,027,687
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Related Outflows	552,072	-	552,072	-	-
Deferred OPEB Related Outflows	22,160	-	22,160	-	-
TOTAL DEFERRED OUTFLOWS	$ 574,232	$ -	$ 574,232	$ -	$ -

See accompanying notes to basic financial statements.

CITY OF WINDCREST
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Windcrest Economic Development Corporation	Windcrest Crime Control & Prevention District
LIABILITIES					
Accounts Payable	$ 348,724	$ 247,074	$ 595,798	$ 11,174	$ 47,133
Accrued Interest Payable	34,742	-	34,742	-	-
Accrued Wages	205,880	2,382	208,262	5,012	32,197
Due to Other Governments	4,808,978	-	4,808,978	-	-
Customer Deposits Payable	37,285	-	37,285	-	-
Customer Overpayments	-	22,504	22,504	-	-
Long-term Liabilities					
Due in One Year					
Compensated Absences	67,166	-	67,166	1,515	-
Bonds and Notes Payable	502,443	27,620	530,063	-	-
Total OPEB Liability	6,440	-	6,440	-	-
Due in More than One Year					
Compensated Absences	268,664	-	268,664	6,063	-
Bonds and Notes Payable	7,368,955	29,333	7,398,288	-	-
Net Pension Liability	1,304,548	-	1,304,548	-	-
Total OPEB Liability	230,612	-	230,612	-	-
TOTAL LIABILITIES	15,184,437	328,913	15,513,350	23,764	79,330
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Related Inflows	561,062	-	561,062	-	-
Deferred OPEB Related Inflows	66,460	-	66,460	-	-
TOTAL DEFERRED INFLOWS	627,522	-	627,522	-	-
NET POSITION					
Net Investment In Capital Assets	8,016,584	54,506	8,071,090	5,244	680,412
Restricted For:					
Debt Service	49,736	-	49,736	-	-
Municipal Court	193,860	-	193,860	-	-
Tourism Development	364,352	-	364,352	-	-
Public Safety	110,143	-	110,143	-	-
Public Education	105,024	-	105,024	-	-
Street Improvements	1,737,635	-	1,737,635	-	-
Unrestricted	3,790,807	588,065	4,378,872	1,848,435	267,945
TOTAL NET POSITION	$ 14,368,141	$ 642,571	$ 15,010,712	$ 1,853,679	$ 948,357

See accompanying notes to basic financial statements.

CITY OF WINDCREST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues		
Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 3,646,247	$ 573,910	$ 27,114	$ -
Public Safety	4,695,172	1,024,340	99,348	-
Public Works	3,651,914	-	-	-
Animal Control	581,606	-	-	-
Interest	265,236	-	-	-
Total Governmental Activities	12,840,175	1,598,250	126,462	-
Business-Type Activities				
Garbage Service	2,887,205	3,503,210	-	-
Total Business-Type Activities	2,887,205	3,503,210	-	-
Total Primary Government	$ 15,727,380	$ 5,101,460	$ 126,462	$ -
Component Unit:				
Economic Development	$ 399,983	$ -	$ -	$ -
Crime Control and Prevention	1,326,538	-	-	-
Total Primary Government	$ 1,726,521	$ -	$ -	$ -
General Revenues:				
Taxes:				
Property Taxes				
Sales and Mixed Beverage Taxes				
Franchise Taxes				
Occupancy Taxes				
Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers In (Out)				
Change in Net Position				
Net Position at Beginning of Year				
Prior Period Adjustment - Change in Accounting Principle				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Primary Government			Component Units	
Net (Expense) Revenue and Changes in Net Position				
Governmental Activities	Business-Type Activities	Total	Windcrest Economic Development Corporation	Windcrest Crime Control and Prevention District
$ (3,045,223)	$ -	$ (3,045,223)		
(3,571,484)	-	(3,571,484)		
(3,651,914)	-	(3,651,914)		
(581,606)	-	(581,606)		
(265,236)	-	(265,236)		
(11,115,463)	-	(11,115,463)		
-	616,005	616,005		
-	616,005	616,005		
(11,115,463)	616,005	(10,499,458)		
			$ (399,983)	
				$ (1,326,538)
			(399,983)	(1,326,538)
4,032,534	-	4,032,534	-	-
4,984,214	-	4,984,214	826,377	825,700
543,346	-	543,346	-	-
332,938	-	332,938	-	-
280,498	904	281,402	52,833	14,112
269,904	-	269,904	-	-
10,443,434	904	10,444,338	879,210	839,812
450,000	(450,000)	-	-	-
(222,029)	166,909	(55,120)	479,227	(486,726)
14,710,265	475,662	15,185,927	1,375,470	1,435,083
(120,095)	-	(120,095)	(1,018)	-
$ 14,368,141	$ 642,571	$ 15,010,712	$ 1,853,679	$ 948,357

CITY OF WINDCREST
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds		Other	
	General Fund	Street Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 10,165,341	$ 1,610,447	$ 807,036	$ 12,582,824
Investments	26,498	-	-	26,498
Receivables (net of allowances):				
Property Taxes	103,315	-	21,466	124,781
Sales Tax	640,578	127,188	-	767,766
Other	113,014	-	29,523	142,537
Prepaid Items	73,479	-	-	73,479
TOTAL ASSETS	$ 11,122,225	$ 1,737,635	$ 858,025	$ 13,717,885
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 348,556	$ -	$ 168	$ 348,724
Accrued Wages	205,880	-	-	205,880
Deposits	37,285	-	-	37,285
Due to Other Governments	4,808,978	-	-	4,808,978
Total Liabilities	5,400,699	-	168	5,400,867
Deferred Inflows of Resources:				
Unavailable Property Tax Revenue	98,299	-	20,424	118,723
Fund Balances:				
Nonspendable:				
Prepaid Items	73,479	-	-	73,479
Restricted for:				
Debt Service	-	-	64,054	64,054
Municipal Court	-	-	193,860	193,860
Tourism Development	-	-	364,352	364,352
Public Safety	-	-	110,143	110,143
Public Education	-	-	105,024	105,024
Street Maintenance	-	1,737,635	-	1,737,635
Assigned for:				
Swimming Pool Facility	535,000	-	-	535,000
Unassigned	5,014,748	-	-	5,014,748
Total Fund Balances	5,623,227	1,737,635	837,433	8,198,295
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 11,122,225	$ 1,737,635	$ 858,025	$ 13,717,885

See accompanying notes to basic financial statements.

CITY OF WINDCREST
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 8,198,295
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		15,887,982
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.		118,724
Accrued vacation leave payable is not due and payable in the current period and, therefore, is not reported in the funds.		(335,830)
Long-term liabilities, including bonds payable and related premiums, are not due and payable in the current period and therefore, not reported in the funds:		
Bonds and Notes Payable	(7,277,742)	
Unamortized Premiums	(593,656)	
Accrued Interest Payable	(34,742)	(7,906,140)
Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
Net Pension Liability	(1,304,548)	
Pension Related Deferred Inflows	(561,062)	
Pension Related Deferred Outflows	552,072	(1,313,538)
OPEB Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources are not reported in governmental funds:		
OPEB Liability	(237,052)	
OPEB Related Deferred Inflows	(66,460)	
OPEB Related Deferred Outflows	22,160	(281,352)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		$ 14,368,141

See accompanying notes to basic financial statements.

CITY OF WINDCREST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Major Funds		Other	
	General Fund	Street Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	$ 3,331,985	$ -	$ 691,027	$ 4,023,012
Sales and Mixed Beverage Taxes	4,157,837	826,377	-	4,984,214
Franchise Taxes	533,613	-	9,733	543,346
Occupancy Tax	-	-	332,938	332,938
Licenses and Permits	209,410	-	-	209,410
Grants and Donations	6,067	-	17,395	23,462
Charges for Services	365,379	-	-	365,379
Fines and Forfeitures	955,865	-	65,135	1,021,000
Investment Earnings	268,023	1,380	11,091	280,494
Miscellaneous	249,864	-	-	249,864
TOTAL REVENUES	10,078,043	827,757	1,127,319	12,033,119
EXPENDITURES				
Current:				
General Government	3,301,058	-	37,172	3,338,230
Public Safety	4,505,595	-	16,243	4,521,838
Public Works	1,346,343	-	260,000	1,606,343
Animal Control	578,601	-	-	578,601
Capital Outlay	104,376	490,332	25,000	619,708
Debt Service:				
Principal	98,996	-	380,000	478,996
Interest	71,817	-	283,550	355,367
TOTAL EXPENDITURES	10,006,786	490,332	1,001,965	11,499,083
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,257	337,425	125,354	534,036
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	47,500	-	-	47,500
Issuance of Note Payable	72,436	-	-	72,436
Transfers In	450,000	-	-	450,000
TOTAL OTHER FINANCING SOURCES (USES)	569,936	-	-	569,936
Net Change in Fund Balance	641,193	337,425	125,354	1,103,972
Fund Balances at Beginning of Year	4,982,034	1,400,210	712,079	7,094,323
Fund Balances at End of Year	$ 5,623,227	$ 1,737,635	$ 837,433	$ 8,198,295

See accompanying notes to basic financial statements.

CITY OF WINDCREST
RECONCILIATION OF THE STATEMENT OF REVENUES, GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 1,103,972
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	617,595	
Depreciation Expense	(2,572,385)	(1,954,790)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		9,523
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of Notes Payable	(72,436)	
Principal Repayments	478,996	
Amortization of Premiums	89,529	496,089
Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined pension expense exceeded contributions.		107,413
Governmental funds report required contributions to OPEB as expenditures. However, in the Statement of Activities the cost of the expense is recorded based on the actuarially determined cost of the plan. This is the amount that actuarially determined OPEB expense exceeded contributions.		139
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated Absences	15,023	
Accrued Interest	602	15,625
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		$ (222,029)

See accompanying notes to basic financial statements.

CITY OF WINDCREST
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2025

	Business-Type Activities
	Garbage Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 631,211
Accounts Receivable, Net of Allowance:	
Customer Accounts	228,814
Total Current Assets	860,025
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements (net)	7,038
Equipment (net)	104,421
Total Noncurrent Assets	111,459
TOTAL ASSETS	$ 971,484
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 247,074
Accrued Wages	2,382
Customer Overpayments	22,504
Current Portion of Note Payable	27,620
Total Current Liabilities	299,580
Long Term Liabilities:	
Note Payable (net of current portion)	29,333
TOTAL LIABILITIES	328,913
NET POSITION	
Net Investment in Capital Assets	54,506
Unrestricted	588,065
TOTAL NET POSITION	642,571
TOTAL LIABILITIES AND NET POSITION	$ 971,484

See accompanying notes to basic financial statements.

CITY OF WINDCREST
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities Garbage Fund
OPERATING REVENUES	
Commercial Customer Charges	$ 2,665,196
Residential Customer Charges	778,634
Other Charges	59,380
TOTAL OPERATING REVENUES	3,503,210
OPERATING EXPENSES	
Commercial Contracted Service	2,086,272
Residential Contracted Service	662,555
Personnel	70,473
Depreciation	32,473
Other Expenses	31,135
TOTAL OPERATING EXPENSES	2,882,908
OPERATING INCOME (LOSS)	620,302
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	904
Interest Expense	(4,297)
TOTAL NONOPERATING REVENUES	(3,393)
INCOME BEFORE TRANSFERS	616,909
TRANSFERS	
Transfers Out	(450,000)
TOTAL TRANSFERS	(450,000)
CHANGE IN NET POSITION	166,909
NET POSITION AT BEGINNING OF YEAR	475,662
NET POSITION AT END OF YEAR	$ 642,571

See accompanying notes to basic financial statements.

CITY OF WINDCREST
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities
	Garbage Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	$ 3,415,952
Cash Paid to Supplier for Goods & Services	(2,746,130)
Cash Paid for Employee Salaries and Benefits	(70,135)
Net Cash Provided (Used) by Operating Activities	599,687
Cash Flows From Capital and Related Financing Activities:	
Note Principal Payments	(26,006)
Purchase of Capital Assets	(42,150)
Interest Paid	(4,297)
Net Cash Provided (Used) by Capital and Related Financing Activities	(72,453)
Cash Flows From Noncapital Financing Activities:	
Transfers to Other Funds	(450,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(450,000)
Cash Flows From Investing Activities:	
Interest and Investment Earnings	904
Net Cash Provided (Used) by Investing Activities	904
Net Increase (Decrease) in Cash and Cash Equivalents	78,138
Cash and Cash Equivalents at Beginning of Year:	553,073
Cash and Cash Equivalents at End of Year:	$ 631,211

See accompanying notes to basic financial statements.

CITY OF WINDCREST
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities	
	Garbage Fund	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income	$	620,302
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation		32,473
Decrease (Increase) in Assets:		
Accounts Receivable (net)		(91,178)
Increase (Decrease) in Liabilities:		
Accounts Payable		33,832
Accrued Wages		338
Customer Overpayments		3,920
Net Cash Provided (Used) by Operating Activities	$	599,687

See accompanying notes to basic financial statements.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Windcrest, Texas, are presented in accordance with generally accepted accounting principles (GAAP) applicable to state and local governmental units as set forth by the Government Accounting Standards Board (GASB). A summary of the City's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

A. Reporting Entity

The City, for financial purposes, includes all of the activities and funds relevant to the operations of the City of Windcrest. These operations include general government, public safety, public works and animal control.

The governmental reporting entity consists of the City and its two component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and data from these units are combined with the data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. The City has two discretely presented component units with a September 30 fiscal year end.

Discretely presented component units

The City of Windcrest Economic Development Corporation (EDC) is governed by a seven-member board, all appointed by City Council. The EDC is focused on building economic prosperity in the City of Windcrest. The EDC is funded through a quarter cent Section 4B sales tax. The EDC provides direct services and benefits to the City of Windcrest, its business community, and citizens and functions as an integral part of the City's operations by promoting and incentivizing economic growth and development for the community. The EDC and the City of Windcrest have both a financial and operational relationship which requires that the EDC's financial statements be discretely presented in the City's financial statements. Separate financial statements are issued for the EDC and may be obtained by contacting the EDC at 8940 Fourwinds Drive Suite 206, Windcrest TX 78239.

The Windcrest Crime Control and Prevention District (CCPD) is governed by a seven-member board, all appointed by City Council. The CCPD is focused on providing supplemental resources to the City of Windcrest police department. The CCPD is funded through a quarter cent sales tax. The CCPD provides direct services and benefits to the City of Windcrest. The CCPD and the City of Windcrest have both a financial and operational relationship which requires that the CCPD's financial statements be discretely presented in the City's financial statements. Separate financial statements are not issued for the CCPD.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. The values of interfund services provided and used are not eliminated in the government-wide financial statements, as elimination of those charges would distort the direct costs reported for the various functions. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed whole or in part by fees charged to external parties for goods and services. The City has no fiduciary funds.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 in program revenues are reported as general revenues.

Separate fund 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for 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 revenue types, which have been accrued, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as program revenues and general revenues. Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 30 (thirty) days of the end of the current fiscal period. Receivables which are measurable but not collectible are reported as deferred inflows of resources. Property taxes which are levied prior to September 30, 2024, and became due October 1, 2024 have been assessed to finance the budget of the fiscal year beginning October 1, 2024 and, accordingly, have been reflected as deferred inflow of resources and taxes receivable in the fund financial statement at September 30, 2025.

Sales taxes, franchise taxes, hotel/motel taxes, interest and fees associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items received by the government are considered to be measurable and available only when the cash is received by the City.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when liabilities are incurred.
- Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. 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 government reports the following major governmental funds:

General Fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, sales taxes and franchise fees. Primary expenditures are for general government, public safety, public works and recreation.

Street Capital Projects holds sales tax dedicated by law for street maintenance and the related project expenditures.

The government reports the following major proprietary fund:

Garbage Fund accounts for charges to residents and businesses for solid waste collection.

D. Cash and Cash Equivalents

The City considers all highly liquid investments including cash in banks, cash on hand, and local government investment pools to be cash equivalents.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value except for certificates of deposit and local government investment pools. Those investments are stated at amortized cost. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2024 and past due after January 31, 2025. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

G. Short-Term Inter-fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds" or “due to other funds” on fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid Items of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of $5,000 or more. Infrastructure assets include city-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement are recorded at 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. Interest has not been capitalized during the construction period on property plant and equipment.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Useful Lives (Years)
Buildings	20-30
Streets and Infrastructure	6-20
Equipment	3-15

J. Compensated Absences

The City's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts. Only unused vacation will be paid upon resignation or retirement. Only accumulated compensated absences that are expected to be liquidated with expendable available resources are reported as an expenditure and fund liability of the governmental funds. Amounts of vested or accumulated compensated absences that are more likely than not expected to be taken as time off or paid on termination are reported in the government wide and proprietary statements as they accrue to the employee. The City uses the first in first out flows assumption in determining the liability for accrued compensated absences.

K. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows related to a pension, other postemployment benefit and differences resulting from debt refundings.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified basis of accounting. Unavailable revenues from property tax are deferred and recognized as an inflow of resources in the period the amounts become available. The City also has pension and OPEB related deferred inflows.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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/deduction from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The general fund has typically been used in prior years to liquidate pension liabilities.

M. OPEB Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the Total OPEB Liability of the Texas Municipal Retirement System (TMRS) and additions to/deduction from TMRS's Total OPEB Liability 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. The general fund has typically been used in the prior year to liquidate OPEB liabilities.

N. Long-Term Obligations

Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For this purpose, debt does not include leases, except for contracts reported as a financed purchase of the underlying asset, or accounts payable.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premium and discounts are deferred and amortized over the life of the term of the related debt. Loss on refundings and bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

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

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Net Position

Net Position represents the difference between assets and liabilities. 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 legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

P. Fund Balance

Five categories of fund balances were created and defined by GASB 54. These five categories are as follows:

- **Restricted** – These funds are governed by externally enforceable restrictions.
- **Non-spendable** – These funds are not available for expenditures based on legal or contractual requirements. An example might by inventories and prepaid expenditures.
- **Committed** - Fund balances in this category are limited by the government's highest level of decision making (in this case the City Council). Any changes of this designation must be done in the same manner that it was implemented. For example, if funds are committed by resolution, the commitment could only be released with another resolution.
- **Assigned** – For funds to be assigned, there must be an intended use which can be established by the City Council or an official delegated by the Council. Assigned fund balance is delegated by the City Council to the Municipal Finance Officer.
- **Unassigned** - This classification is the default for all funds that do not fit into the other categories. The general fund is the only fund that reports a positive fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for a specific purposes, it may be necessary to report a negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City's Council or its designated official has provided otherwise in its commitments or assignment actions. The City's policy is to maintain an unassigned fund balance in the General Fund of 25% of the current year's operating expenditures.

Q. Inter-fund Transactions

Legally authorized transfers are treated as inter-fund transfers and are included in the results of operations of both governmental and proprietary funds.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for services. Operating expenses are necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

S. 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 -- INVESTMENTS

The City Council has adopted a written investment policy regarding the investments of its funds as defined by the Public Funds Act of 1995 (Chapter 2256, Texas Government Code). The City's investment policy requires all deposits to be fully collateralized. Investments held in pools shall be continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating service. The investments of the City are in compliance with the Council's investment policies. All significant legal and contractual provisions for investments were complied with during the year. Investments at year end are representative of the types of investments maintained by the City during the year.

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the Act), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAAm (or equivalent) rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

Texpool and Lone Star are external investment tailored to meet the investment needs of Texas local governments and is valued at net asset value. They do not have any minimum or maximum transaction or balance amounts and the investment balances are accessible on the same day as the request pending end of business time constraints. The certificates of deposit are reported at amortized cost.

NOTE 2 – INVESTMENTS (CONTINUED)

The City's investments at September 30, 2025 are as shown below:

Investment Type		Reported Value	Rating	Agency
Primary Government:				
Reported in Cash Equivalents				
Texpool (Local Government Investment Pool)	$	8,306,734	AAAm	Standard & Poor's
Reported as Investments				
Certificate of Deposit		26,498		
Total Primary Government	$	8,333,232		
Economic Development Corporation (EDC):				
Reported in Cash Equivalents				
Lone Star (Local Government Investment Pool)	$	1,152,849	AAAm	Standard & Poor's
Total EDC	$	1,152,849		

The following is an analysis of the investment risks of the City.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its operating investment portfolio to less than one year. The City's investment policy limits the final stated maturity of any security to no more than five years. As a matter of policy, the City holds all investments to maturity.

Credit Risk. The City's investment policy states that municipal obligations and other debt investments will be rated not less than A and pools will be no lower than AAA rated. The state comptroller of public accounts exercises oversight responsibility over local government investment pools. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

Custodial Credit Risk. The City's deposits are collateralized by a combination of FDIC coverage and pledged collateral from the City's depository. Funds were fully covered.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the government securities owned by the City are held by its agent in the City's name.

Concentration of Credit Risk. None of the City's investments in any one agency exceeded 3% of total investments.

NOTE 3 -- RECEIVABLES

Receivables consist of the following as of September 30, 2025:

	Governmental Funds			Proprietary Fund	Component Units	
	General	Street Project Fund	Other Nonmajor Funds	Garbage Fund	Economic Development	Crime Control District
Receivables:						
Property Taxes	$ 121,546	$ -	$ 25,254	$ -	$ -	$ -
Sales Tax	640,578	127,188	-	-	127,278	127,243
Franchise Taxes	105,991	-	2,238	-	-	-
Occupancy Taxes	-	-	26,679	-	-	-
Customers	-	-	-	355,278	-	-
Other	7,024	-	607	-	-	-
Gross Receivables	875,139	127,188	54,778	355,278	127,278	127,243
Less: Allowance for Uncollectibles	(18,232)	-	(3,789)	(126,464)	-	-
Net Total Receivables	$ 856,907	$ 127,188	$ 50,989	$ 228,814	$ 127,278	$ 127,243

NOTE 4 -- PROPERTY TAX

Taxes are levied on and payable as of October 1. The City has contracted with the Bexar County Tax Assessor/Collector to collect taxes on its behalf. Current year taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action. For fiscal year 2025, the assessed tax rate for the City was $0.393917 per $100 on an assessed valuation of $1.0 billion. This is broken out as $0.325937 per $100 for maintenance and operations and $0.06798 per $100 for debt retirement. Total tax levy for fiscal year 2025 (tax year 2024) was $4.0 million. As of September 30, 2025, the delinquent current taxes for 2025 were $47 thousand.

NOTE 5 -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 347,050	$ -	$ -	$ 347,050
Construction in Progress	1,071,571	462,986	(1,534,557)	-
Total Capital Assets Not Being Depreciated	1,418,621	462,986	(1,534,557)	347,050
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,530,531	-	-	2,530,531
Streets and Infrastructure	26,984,778	31,011	1,534,557	28,550,346
Machinery and Equipment	7,361,107	123,598	(666,102)	6,818,603
Total Capital Assets Being Depreciated	36,876,416	154,609	868,455	37,899,480
Accumulated Depreciation:				
Buildings and Improvements	(2,075,061)	(55,270)	-	(2,130,331)
Streets and Infrastructure	(13,207,792)	(2,059,990)	-	(15,267,782)
Machinery and Equipment	(5,169,412)	(457,125)	666,102	(4,960,435)
Total Accumulated Depreciation	(20,452,265)	(2,572,385)	666,102	(22,358,548)
Total Capital Assets Being Depreciated, Net	16,424,151	(2,417,776)	1,534,557	15,540,932
Governmental Activities Capital Assets, Net	$ 17,842,772	$ (1,954,790)	$ -	$ 15,887,982

Depreciation expense was charged to the governmental functions as follows

Governmental Activities:	
General Government	$ 272,283
Public Safety	241,895
Public Works	2,054,751
Animal Control	3,456
Total Depreciation Expense - Governmental Activities	$ 2,572,385

NOTE 5 -- CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Disposals	Ending Balance
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Buildings and Improvements	$ 12,240	$ -	$ -	$ 12,240
Machinery and Equipment	157,171	42,150	-	199,321
Total Capital Assets Being Depreciated	169,411	42,150	-	211,561
Accumulated Depreciation:				
Buildings and Improvements	(3,978)	(1,224)	-	(5,202)
Machinery and Equipment	(63,651)	(31,249)	-	(94,900)
Total Accumulated Depreciation	(67,629)	(32,473)	-	(100,102)
Total Capital Assets Being Depreciated, Net	101,782	9,677	-	111,459
Business-Type Activities Capital Assets, Net	$ 101,782	$ 9,677	$ -	$ 111,459
Discrete Component Units				
Windcrest Economic Development Corporation				
Capital Assets, Being Depreciated:				
Right to Use Facility	$ 40,829	$ -	$ -	$ 40,829
Machinery and Equipment	14,274	-	(2,280)	11,994
Total Capital Assets Being Depreciated	55,103	-	(2,280)	52,823
Accumulated Depreciation/Amortization:				
Right to Use Facility	(27,194)	(13,597)	-	(40,791)
Machinery and Equipment	(6,669)	(2,399)	2,280	(6,788)
Total Accumulated Depreciation	(33,863)	(15,996)	2,280	(47,579)
Total Capital Assets, Net	$ 21,240	$ (15,996)	$ -	$ 5,244
Windcrest Crime Control and Prevention District				
Capital Assets, Being Depreciated:				
Buildings and Improvements	65,320	-	-	65,320
Streets and Infrastructure	121,807	-	-	121,807
Machinery and Equipment	2,569,159	63,370	-	2,632,529
Total Capital Assets Being Depreciated	2,756,286	63,370	-	2,819,656
Accumulated Depreciation:				
Buildings and Improvements	(8,804)	(5,490)	-	(14,294)
Streets and Infrastructure	(106,348)	(2,680)	-	(109,028)
Machinery and Equipment	(1,772,889)	(243,033)	-	(2,015,922)
Total Accumulated Depreciation	(1,888,041)	(251,203)	-	(2,139,244)
Total Capital Assets, Net	$ 868,245	$ (187,833)	$ -	$ 680,412

NOTE 6 -- LONG-TERM LIABILITIES

Long-term liabilities as of September 30, 2025 were comprised of the following items:

	Balance 9/30/2024	Additions	Reductions	Balance 9/30/2025	Due Within One Year
Primary Government					
Governmental Activities:					
Bonds, Notes and Related Premiums	$ 8,367,487	$ 72,436	$ (568,525)	$ 7,871,398	$ 502,443
Compensated Absences	350,853	-	(15,023)	335,830	67,166
Net Pension Liability (Asset)	2,211,714	2,006,085	(2,913,251)	1,304,548	-
Total OPEB Liability	240,885	19,584	(23,417)	237,052	6,440
Total Governmental Activities	11,170,939	2,098,105	(3,520,216)	9,748,828	576,049
Business Type- Activities					
Bonds, Notes and Related Premiums	82,959	-	(26,006)	56,953	27,620
Total Primary Government	$ 11,253,898	$ 2,098,105	$ (3,546,222)	$ 9,805,781	$ 603,669

	Balance 9/30/2024	Additions	Reductions	Balance 9/30/2025	Due Within One Year
Component Units					
Windcrest Economic Development Corporation (WEDC)					
Compensated Absences	$ 7,188	$ 390	$ -	$ 7,578	$ 1,515
Lease Liability	15,642	-	(15,642)	-	-
Total WEDC	$ 22,830	$ 390	$ (15,642)	$ 7,578	$ 1,515
Windcrest Crime Control and Prevention District (WCCPD)					
Compensated Absences	13,067	-	(13,067)	-	-
Total WCCPD	$ 13,067	$ -	$ (13,067)	$ -	$ -

The change in compensated absences is a net figure. In addition, the beginning balance of compensated absences for the governmental activities and EDC were amended to reflect the results of a prior period adjustment for GASB101.

NOTE 7 -- BONDS AND NOTES PAYABLE

The City has one outstanding bond issue:

General Obligation Bonds, Series 2019 were issued in May 2019 for a face amount of $8.465 million. The bonds mature serially through 2039 and bear interest at 4-5%. The bonds were issued to conduct street improvements. These bonds are primarily secured by future property tax levies. General obligation bonds, combination tax and revenue bonds, and certificates of obligation are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest income tax regulations under those provisions. The City does not have any arbitrage rebate liability as of September 30, 2025.

The City also has the following notes payable:

- 2023: $860 thousand for parking lighting requiring annual payments of $124 thousand through September 2032 and bearing interest at 8.5%
- 2023: $100 thousand for a dump truck requiring monthly payments of $2 thousand through September 2028 and bearing interest at 10.1%
- 2023: $131 thousand for a backhoe requiring monthly payments of $2.5 thousand through September 2027 and bearing interest at 6%
- 2024: $72 thousand for a vehicle purchase requiring four annual payments of $21 thousand through April 2028 and bearing interest at 6.5%

Changes in the bonds and notes for the year ending September 30, 2025 were as follows:

	Balance 9/30/2024	Additions	Reductions	Balance 9/30/2025	Due Within One Year
Governmental Activities:					
Public Offerings:					
2019 General Obligation Bonds	$ 6,900,000	$ -	$ (380,000)	$ 6,520,000	$ 395,000
Direct Borrowing:					
Notes Payable	784,302	72,436	(98,996)	757,742	107,443
Unamortized Premiums	683,185	-	(89,529)	593,656	-
Total Governmental Activities	$ 8,367,487	$ 72,436	$ (568,525)	$ 7,871,398	$ 502,443
Business-Type Activities					
Direct Borrowing:					
Notes Payable	$ 82,959	$ -	$ (26,006)	$ 56,953	$ 27,620
Total Business-Type	$ 82,959	$ -	$ (26,006)	$ 56,953	$ 27,620

NOTE 7 -- BONDS AND NOTES PAYABLE (Continued)

The annual debt service requirements on the bonds as of September 30, 2025 are as follows:

	Governmental Activities		
	Public Offering Bonds		
Year Ending September 30,	Principal	Interest	Total
2026	$ 395,000	$ 263,375	$ 658,375
2027	415,000	243,125	658,125
2028	435,000	221,875	656,875
2029	455,000	201,900	656,900
2030	480,000	183,200	663,200
2031-2035	2,515,000	611,700	3,126,700
2036-2039	1,825,000	149,700	1,974,700
Total	$ 6,520,000	$ 1,874,875	$ 8,394,875

The annual debt service requirements on the notes payable as of September 30, 2025 are as follows:

	Notes Payable				
	Governmental Activities		Business-Type Activities		
Year Ending September 30,	Principal	Interest	Principal	Interest	Total
2026	$ 107,443	$ 63,370	$ 27,620	$ 2,683	$ 201,116
2027	116,627	54,186	29,333	970	201,116
2028	126,610	44,203	-	-	170,813
2029	89,685	34,557	-	-	124,242
2030	97,298	26,944	-	-	124,242
2031-2032	220,079	28,405	-	-	248,484
Total	$ 757,742	$ 251,665	$ 56,953	$ 3,653	$ 1,070,013

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM

A. Plan Description

The City participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmrs.com.

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

B. 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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also 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 lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member's contributions and interest.

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	71
Inactive Employees Entitled to but Not Yet Receiving Benefits	88
Active Employees	79
	238

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of member's total compensation, and the city matching percentages are either 1 to 1, 1.5 to 1, or 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The City matches employee contributions 2 to 1. The contribution rates for the City were 14.49% for October through December 2024, and 15.34% for January through September 2025. The City's contributions to TMRS for the year ended September 30, 2025 were $731,607 and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are 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 the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

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 real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Rate of Return (Arithmetic)
Global Equity	35%	7.1%
Core Fixed Income	6%	5.0%
Non-Core Fixed Income	6%	6.8%
Hedge Funds	5%	6.4%
Private Equity	13%	8.5%
Private Debt	13%	8.2%
Real Estate	12%	6.7%
Infrastructure	6%	6.0%
Other Private Markets	4%	7.3%
	100%	

G. 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.

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

H. Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2023	$ 15,558,901	$ 13,347,187	$ 2,211,714
Changes for the year:			
Service Cost	941,782	-	941,782
Interest	1,055,201	-	1,055,201
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(458,379)	-	(458,379)
Changes of Assumptions	-	-	-
Contributions - Employer	-	720,129	(720,129)
Contributions - Employee	-	347,888	(347,888)
Net Investment Income	-	1,386,855	(1,386,855)
Benefit Payments, Including Refunds of Employee Contributions	(794,370)	(794,370)	-
Administrative Expense	-	(8,894)	8,894
Other Changes	-	(208)	208
Net Changes	744,234	1,651,400	(907,166)
Balance at December 31, 2024	$ 16,303,135	$ 14,998,587	$ 1,304,548

I. Sensitivity of the net pension liability to changes in the discount rate

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	$ 3,705,492	$ 1,304,548	$ (642,587)

J. 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.tmrs.com*.

K. Pension Expense

For the year ended September 30, 2025, the City recognized pension expense of $624,195.

NOTE 8 -- PENSION PLAN – TEXAS MUNICIPAL RETIREMENT SYSTEM (Continued)

L. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	$ 22,546	$ 379,986
Changes in Actuarial Assumptions	-	28,270
Differences Between Projected and Actual Investment Earnings	-	152,806
Contributions Subsequent to the Measurement Date	529,526	-
	$ 552,072	$ 561,062

The City reported $529,526 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (December 31, 2024) will be recognized as a reduction of the net pension liability for the year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year Ended December 31,	
2025	$ (203,704)
2026	(7,917)
2027	(229,711)
2028	(97,184)
Thereafter	-
	$ (538,516)

NOTE 9 -- OTHER POST EMPLOYMENT BENEFITS (OPEB)

The City also participates in the cost sharing multiple-employer defined benefit group- term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other post-employment benefit," or OPEB. Membership in the plan at December 31, 2024, the valuation and measurement date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	42
Inactive Employees Entitled to but Not Yet Receiving Benefits	20
Active Employees	79
	141

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

Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	4.08% (Bond Buyer 20-Bond GO Index)
Administrative Expenses	All administrative expenses are paid throe the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

NOTE 9 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

The City's contributions to TMRS were $14,268 for the fiscal year ended September 30, 2025 and were equal to the required contributions. Of this amount, only $6,440 related to retirees. The SDBF required contribution rates were as follows:

Calendar Year	Total SDBF Contribution Rate	Retiree Portion to SDBF Contribution Rate
2025	0.28%	0.13%
2024	0.33%	0.14%

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2024 was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2023	$ 240,885
Changes for the year:	
Service Cost	10,437
Interest	9,147
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(3,531)
Changes of Assumptions	(12,928)
Benefit Payments	(6,958)
Net Changes	(3,833)
Balance at December 31, 2024	$ 237,052

There is no separate trust maintained to fund this Total OPEB Liability. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 4.08% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower and 1-percentage point higher than the current rate:

	Discount Rate 3.08%	Discount Rate 4.08%	Discount Rate 5.08%
Total OPEB Liability	$ 282,414	$ 237,052	$ 201,871

NOTE 9 -- OTHER POST EMPLOYMENT BENEFIT (OPEB) (Continued)

For the year ended September 30, 2025, the City recognized OPEB expense of $6,303. Also as of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 7,052	$ 8,741
Changes in Actuarial Assumptions	10,620	57,719
Contributions Subsequent to the Measurement Date	4,488	-
	$ 22,160	$ 66,460

Deferred outflows of resources in the amount of $4,488 is related to OPEB benefits resulting from contributions subsequent to the measurement date (December 31, 2024), and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Plan Year Ended December 31,	
2025	$ (19,314)
2026	(22,064)
2027	(3,726)
2028	(3,180)
2029	(504)
Thereafter	-
	$ (48,788)

NOTE 10 -- TRANFERS BETWEEN FUNDS

Transfers during the fiscal year ending September 30, 2025 consisted of $450,000 from the garbage fund to the general fund for a payment in lieu of taxes.

NOTE 11 -- CONTINGENCIES

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

NOTE 12 -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the City is generally limited to the contributed amounts. There were no significant changes in coverage during fiscal year 2025.

NOTE 13 -- COMMITMENTS

The City's police department has entered into a service contract to capture and store body, interview room and vehicle camera footage. The agreements require annual payments of $90 thousand through October 2031 for the service.

NOTE 14 -- TAX INCENTIVES

The City enters into economic development agreements designed to improve the local economy, create jobs, and promote development within the City. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Businesses may be eligible based on their positive employment, economic, or community impact. Businesses that receive tax incentives typically commit to building or expanding operations, revitalizing existing facilities, and/or improving the local infrastructure. Agreements usually contain recapture provisions which may require repayment or termination of incentives if the business does not meet the requirements of the economic incentive.

The City has two agreements with businesses that incentivized remodeling vacation property and building a hotel in the City in order to receive a 100% property tax abatement. The buildings are held in the name of the EDC and thus exempt from property taxes. The amount of property taxes that the City would have received is unknown due to the fact that Bexar Appraisal District has not assessed the value of the leased property.

NOTE 15 -- LITIGATION

The City was a fiscal agent of an economic development agreement to which the City and other governments had an interest. The agreement was terminated early, requiring a payment of $9 million to the City to be allocated to the participants. The City allocated the proceeds from the MEIA termination to the taxing jurisdictions in 2024. However, the City is aware of disagreements between the governments over how the economic development agreement termination payment should be distributed and whether certain provisions related to property tax and sales tax sharing survive the termination. Litigation may be necessary to settle the dispute. The City and legal counsel believe the termination has been handled correctly and in accordance with the terms of the agreement and no past or future payments will be required other than to disburse the remaining funds reported as a Due to Other Governments Liability in the General Fund. If decided adversely to the City, the termination payment may need to be reallocated to the other governments and/or property and sales tax collection sharing may need to continue.

NOTE 16 -- PRIOR PERIOD ADJUSTMENT/CHANGE IN ACCOUNTING PRINCIPLE

The City implemented GASB statement 101 related to compensated absences as of October 1, 2024. Previously, accumulated sick time was not considered as part of the liability for compensated absences. After implementation, accumulated sick time is included if it is more likely than not to the taken in the future or paid out on termination. The change resulted in prior period adjustments to add to the liability that was reported as of September 30, 2024 in the governmental activities and Economic Development Corporation. The changes to beginning net position were as follows:

	Governmental Activities	Economic Development Corporation
Beginning Net Position, as Previously Reported	$ 14,710,265	$ 1,375,470
Change in Accounting Principle		
GASB-101 Accrued Compensated Absences	(120,095)	(1,018)
Beginning Net Position, Restated	$ 14,590,170	$ 1,374,452

NOTE 17 -- SUBSEQUENT EVENT

In December 2025, the Economic Development Corporation extended its office lease through December 31, 2028. The new terms require monthly rent payments totaling $15,984, $16,317 and $16,650 in calendar years 2026, 2027 and 2028, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund
- Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Plan Years
- Schedule of Contributions - Last 10 Fiscal Years
- Schedule of Changes in Total Other Post-Employment Benefit Liability and Related Ratios

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		2025	Variance With Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Property Taxes	$ 3,079,826	$ 3,315,094	$ 3,331,985	$ 16,891
Sales and Mixed Beverage Taxes	4,460,663	4,101,860	4,157,837	55,977
Franchise Taxes	672,223	505,300	533,613	28,313
Licenses and Permits	211,550	191,610	209,410	17,800
Grants and Donations	1,000	1,000	6,067	5,067
Charges for Services	333,765	333,765	365,379	31,614
Fines and Forfeitures	855,378	842,251	955,865	113,614
Investment Earnings	92,500	241,269	268,023	26,754
Miscellaneous	120,000	246,489	249,864	3,375
TOTAL REVENUES	9,826,905	9,778,638	10,078,043	299,405
EXPENDITURES				
Current:				
General Government				
Administration	354,963	354,963	323,923	31,040
Special Services	227,142	252,142	221,913	30,229
Parks and Recreation	244,514	244,514	174,330	70,184
Contract Services	1,004,972	1,374,775	1,310,948	63,827
Tech Support	414,326	435,295	411,886	23,409
Finance	425,964	425,964	473,240	(47,276)
City Management	233,346	233,346	143,194	90,152
Pool	17,500	17,500	502	16,998
Post Office	95,272	95,272	74,904	20,368
Human Resources	142,700	163,700	166,218	(2,518)
Total General Government	3,160,699	3,597,471	3,301,058	296,413
Public Safety				
Police	3,086,553	3,086,553	2,295,476	791,077
Fire	1,646,697	1,646,697	1,597,070	49,627
Court	558,301	628,301	551,927	76,374
Code Enforcement	78,281	78,281	61,122	17,159
Total Public Safety	$ 5,369,832	$ 5,439,832	$ 4,505,595	$ 934,237

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		2025 Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Public Works				
Fleet Mechanic	$ 242,675	$ 288,675	$ 258,665	$ 30,010
Facilities	183,000	193,000	190,111	2,889
Civic Center	83,565	83,565	76,905	6,660
General	884,257	884,257	820,662	63,595
Total Public Safety	1,393,497	1,449,497	1,346,343	103,154
Animal Control	290,727	634,727	578,601	56,126
Capital Outlay	127,395	98,420	104,376	(5,956)
Debt Service:				
Principal	98,996	98,996	98,996	-
Interest	71,817	71,817	71,817	-
TOTAL EXPENDITURES	10,512,963	11,390,760	10,006,786	1,383,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,058)	(1,612,122)	71,257	1,683,379
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	47,500	47,500
Issuance of Note Payable	72,436	72,436	72,436	-
Transfers In	450,000	450,000	450,000	-
TOTAL OTHER FINANCING SOURCES (USES)	522,436	522,436	569,936	47,500
Net Change in Fund Balance	(163,622)	(1,089,686)	641,193	1,730,879
Fund Balances, Beginning	4,982,034	4,982,034	4,982,034	-
Fund Balances, Ending	$ 4,818,412	$ 3,892,348	$ 5,623,227	$ 1,730,879

CITY OF WINDCREST
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN PLAN YEARS*

	Total Pension Liability			
	2015	2016	2017	2018
Service Cost	$ 328,283	$ 370,018	$ 427,165	$ 439,605
Interest (on the Total Pension Liability)	533,422	549,932	591,432	624,725
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	(142,145)	24,294	(122,172)	14,822
Change of Assumptions	69,964	-	-	
Benefit Payments, Including Refunds of Employee Contributions	(278,972)	(288,176)	(427,824)	(390,996)
Net Change in Total Pension Liability	510,552	656,068	468,601	688,156
Total Pension Liability - Beginning	7,595,664	8,106,216	8,762,284	9,230,885
Total Pension Liability - Ending	$ 8,106,216	$ 8,762,284	$ 9,230,885	$ 9,919,041

	Plan Fiduciary Net Position			
	2015	2016	2017	2018
Contributions - Employer	$ 190,467	$ 209,018	$ 258,551	$ 290,102
Contributions - Employee	161,451	173,040	199,610	222,015
Net Investment Income	10,925	505,614	1,119,294	(276,107)
Benefit Payments, Including Refunds of Employee Contributions	(278,972)	(288,176)	(427,824)	(390,996)
Administrative Expense	(6,654)	(5,710)	(5,799)	(5,336)
Other	(329)	(308)	(295)	(278)
Net Change in Plan Fiduciary Net Position	76,888	593,478	1,143,537	(160,600)
Plan Fiduciary Net Position - Beginning	7,403,891	7,480,779	8,074,257	9,217,794
Plan Fiduciary Net Position - Ending	$ 7,480,779	$ 8,074,257	$ 9,217,794	$ 9,057,194
Net Pension Liability (asset) - Ending	$ 625,437	$ 688,027	$ 13,091	$ 861,847
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.28%	92.15%	99.86%	91.31%
Covered Payroll	$ 2,690,844	$ 2,884,008	$ 3,326,828	$ 3,464,188
Net Pension Liability as a Percentage of Covered Payroll	23.24%	23.86%	0.39%	24.88%

Total Pension Liability

2019	2020	2021	2022	2023	2024
$ 443,803	$ 483,380	$ 509,923	$ 662,485	$ 837,112	$ 941,782
668,625	704,466	755,430	856,725	994,629	1,055,201
-	-	-	691,385	757,614	-
(180,314)	28,499	67,297	330,022	(189,582)	(458,379)
19,354	-	-	-	(78,756)	-
(470,775)	(409,786)	(539,409)	(659,875)	(642,392)	(794,370)
480,693	806,559	793,241	1,880,742	1,678,625	744,234
9,919,041	10,399,734	11,206,293	11,999,534	13,880,276	15,558,901
$ 10,399,734	$ 11,206,293	$ 11,999,534	$ 13,880,276	$ 15,558,901	$ 16,303,135

Plan Fiduciary Net Position

2019	2020	2021	2022	2023	2024
$ 261,647	$ 279,791	$ 281,493	$ 308,928	$ 554,489	$ 720,129
212,177	230,914	242,244	264,797	301,671	347,888
1,400,512	793,408	1,478,791	(933,748)	1,362,567	1,386,855
(470,775)	(409,786)	(539,409)	(659,875)	(642,392)	(794,370)
(7,912)	(5,134)	(6,841)	(8,084)	(8,673)	(8,894)
(238)	(200)	46	9,646	(61)	(208)
1,395,411	888,993	1,456,324	(1,018,336)	1,567,601	1,651,400
9,057,194	10,452,605	11,341,598	12,797,922	11,779,586	13,347,187
$ 10,452,605	$ 11,341,598	$ 12,797,922	$ 11,779,586	$ 13,347,187	$ 14,998,587

$ (52,871)	$ (135,305)	$ (798,388)	$ 2,100,690	$ 2,211,714	$ 1,304,548
100.51%	101.21%	106.65%	84.87%	85.78%	92.00%
$ 3,536,279	$ 3,848,565	$ 4,037,397	$ 4,401,892	$ 4,687,079	$ 4,969,828
-1.50%	-3.52%	-19.77%	47.72%	47.19%	26.25%

CITY OF WINDCREST
SCHEDULE OF CITY PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS*

Fiscal Year Ending September 30,	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 202,494	$ 202,494	$ -	$ 2,809,689	7.2%
2017	244,326	244,326	-	3,198,543	7.6%
2018	261,364	261,364	-	3,326,842	7.9%
2019	269,902	269,902	-	3,577,981	7.5%
2020	271,435	271,435	-	3,715,577	7.3%
2021	286,561	286,561	-	4,062,161	7.1%
2022	301,177	301,177	-	4,307,121	7.0%
2023	465,170	465,170	-	4,575,961	10.2%
2024	695,667	695,667	-	4,899,151	14.2%
2025	731,607	731,607	-	4,846,557	15.1%

CITY OF WINDCREST
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
LAST TEN PLAN YEARS*

	Total OPEB Liability			
	2017	2018	2019	2020
Service Cost	$ 8,317	$ 9,700	$ 8,487	$ 12,315
Interest on Total OPEB Liability	6,205	6,433	6,883	6,396
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	(9,153)	(7,944)	(7,625)
Change of Assumptions or Other Inputs	16,343	(13,983)	38,830	37,472
Benefit Payments	(1,331)	(1,386)	(1,061)	(1,155)
Net Change in Total OPEB Liability	29,534	(8,389)	45,195	47,403
Total OPEB Liability - Beginning	160,670	190,204	181,815	227,010
Total OPEB Liability - Ending	$ 190,204	$ 181,815	$ 227,010	$ 274,413
Covered-employee Payroll	$ 3,326,828	$ 3,464,188	$ 3,536,279	$ 3,848,565
Total OPEB Liability as a Percentage of Covered-employee Payroll	5.72%	5.25%	6.42%	7.13%
Discount Rate	3.31%	3.71%	2.75%	2.00%

	Total OPEB Liability			
	2021	2022	2023	2024
Service Cost	$ 14,938	$ 17,167	$ 9,374	$ 10,437
Interest on Total OPEB Liability	5,593	5,931	9,206	9,147
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	15,126	7,317	(9,651)	(3,531)
Change of Assumptions or Other Inputs	10,088	(116,513)	12,392	(12,928)
Benefit Payments	(4,441)	(3,962)	(6,093)	(6,958)
Net Change in Total OPEB Liability	41,304	(90,060)	15,228	(3,833)
Total OPEB Liability - Beginning	274,413	315,717	225,657	240,885
Total OPEB Liability - Ending	$ 315,717	$ 225,657	$ 240,885	$ 237,052
Covered-employee Payroll	$ 4,037,397	$ 4,401,892	$ 4,687,079	$ 4,969,828
Total OPEB Liability as a Percentage of Covered-employee Payroll	7.82%	5.13%	5.14%	4.77%
Discount Rate	1.84%	4.05%	3.77%	4.08%

*GASB Statement No. 75 requires 10 years of data to be provided in this schedule. The City will develop the schedule prospectively as data becomes available. No assets are accumulated in a trust that meets the criteria in of GASB Codification P22.101 or P52.101 to pay related benefits.

Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. Annual budgets are adopted for all governmental funds except the capital projects funds. Project-length financial plans are adopted for capital projects funds.

Budgetary preparation and control is exercised at the department level. The City Manager may transfer budgeted amounts within departments within any fund; however, transfers between departments and funds must be approved by City Council.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

Pension Plan

Valuation Date:
Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (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	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year Smoothed Fair Value; 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Pension Plan (Continued)

Changes in Benefit Terms:

2022 Increased matching ratio from 1.5:1 to 2:1
Increased employee deposit rate from 6% to 7%

Changes in Actuarial Assumptions:

2023 New retirement and mortality assumptions
2019 New retirement and mortality assumptions
2015 Investment rate of return lowered from 7% to 6.75%

Other Postemployment Benefit

Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	4.08% (Bond Buyer 20-Bond GO Index)
Administrative Expenses	All administrative expenses are paid throe the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Changes in Benefit Terms:

None

Changes in Assumptions:

None other than changes in discount rate presented in the schedule

SUPPLEMENTARY INFORMATION

Supplementary information includes combining nonmajor individual fund statements which are not required by the GASB, nor a part of the basic financial statements.

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Individual Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Funds with Legally Adopted Budgets
- Comparative Statements

    Crime Control and Prevention District
    Economic Development Corporation
    General Fund

CITY OF WINDCREST
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and expenditures that are legally restricted for a specific purpose.

- **Asset Forfeiture Fund** - Accounts for revenues from seized assets and the allowed expenditure of that revenue for public safety.
- **School Crossing Fund** - Accounts for the drug awareness and prevention program, school crossing guards, and other child safety programs.
- **Police Grants and Donations** - Accounts for restricted grants and contributions for the police department and the related expenditures.
- **Court Technology** - Accounts for a portion of municipal fines that are allocated to court technology and the allowed expenditures.
- **Court Security Fund** - Accounts for a portion of municipal fines that are allocated to building security and the allowed expenditures.
- **Public Education** - Accounts franchise fees restricted for capital expenditures associated with public, educational and governmental facilities.
- **Hotel Motel Occupancy** – Accounts for collections of occupancy taxes in the City restricted for tourism development.
- **Youth Diversion** – Accounts for a portion of municipal fines that are allocated to youth diversion programs.

DEBT SERVICE FUND

- **Debt Service** – Accounts for property taxes levied to repay voter approved general obligation bonds.

CITY OF WINDCREST
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds			
	Asset Forfeiture	Hotel Motel Tax	School Crossing	Police Grants & Donations
ASSETS				
Cash and Cash Equivalents	$ 39,156	$ 337,841	$ 35,879	$ 34,502
Receivables (net of allowances):				
Property Taxes	-	-	-	-
Other	-	26,679	606	-
TOTAL ASSETS	$ 39,156	$ 364,520	$ 36,485	$ 34,502
LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts Payable	$ -	$ 168	$ -	$ -
Total Liabilities	-	168	-	-
Deferred Inflows of Resources:				
Unavailable Property Taxes	-	-	-	-
Fund Balance:				
Restricted For:				
Municipal Court	-	-	-	-
Tourism Development	-	364,352	-	-
Public Safety	39,156	-	36,485	34,502
Public Education	-	-	-	-
Debt Service	-	-	-	-
Total Fund Balances	39,156	364,352	36,485	34,502
TOTAL LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND BALANCES	$ 39,156	$ 364,520	$ 36,485	$ 34,502

Special Revenue Funds					
Court Technology	Court Security	Youth Diversion	Public Education	Debt Service	Total Nonmajor Funds
$ 83,055	$ 110,710	$ 95	$ 102,786	$ 63,012	$ 807,036
-	-	-	-	21,466	21,466
-	-	-	2,238	-	29,523
$ 83,055	$ 110,710	$ 95	$ 105,024	$ 84,478	$ 858,025
$ -	$ -	$ -	$ -	$ -	$ 168
-	-	-	-	-	168
-	-	-	-	20,424	20,424
83,055	110,710	95	-	-	193,860
-	-	-	-	-	364,352
-	-	-	-	-	110,143
-	-	-	105,024	-	105,024
-	-	-	-	64,054	64,054
83,055	110,710	95	105,024	64,054	837,433
$ 83,055	$ 110,710	$ 95	$ 105,024	$ 84,478	$ 858,025

CITY OF WINDCREST
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Asset Forfeiture	Hotel Motel Occupancy	School Crossing	Police Grants & Donations
REVENUES				
Property Taxes	$ -	$ -	$ -	$ -
Franchise Taxes	-	-	-	-
Occupancy Tax	-	332,938	-	-
Grants and Donations	-	-	7,949	9,446
Fines and Forfeitures	11,059	-	-	-
Investment Earnings	24	9,456	490	375
TOTAL REVENUES	11,083	342,394	8,439	9,821
EXPENDITURES				
Current:				
General Government	-	37,172	-	-
Public Safety	-	-	1,632	3,743
Public Works	-	260,000	-	-
Capital Outlay	-	25,000	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	-	322,172	1,632	3,743
Net Change in Fund Balance	11,083	20,222	6,807	6,078
Fund Balances, Beginning	28,073	344,130	29,678	28,424
Fund Balances, Ending	$ 39,156	$ 364,352	$ 36,485	$ 34,502

Special Revenue Funds					
Court Technology	Court Security	Youth Diversion	Public Education	Debt Service	Total Nonmajor Funds
$ -	$ -	$ -	$ -	$ 691,027	$ 691,027
-	-	-	9,733	-	9,733
-	-	-	-	-	332,938
-	-	-	-	-	17,395
24,465	29,516	95	-	-	65,135
722	24	-	-	-	11,091
25,187	29,540	95	9,733	691,027	1,127,319
-	-	-	-	-	37,172
10,868	-	-	-	-	16,243
-	-	-	-	-	260,000
-	-	-	-	-	25,000
-	-	-	-	380,000	380,000
-	-	-	-	283,550	283,550
10,868	-	-	-	663,550	1,001,965
14,319	29,540	95	9,733	27,477	125,354
68,736	81,170	-	95,291	36,577	712,079
$ 83,055	$ 110,710	$ 95	$ 105,024	$ 64,054	$ 837,433

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025	Variance with Final Budget-	2024
	Original	Final	Actual Amounts	Positive (Negative)	Actual Amounts
REVENUES					
Fines and Forfeitures	$ -	$ -	$ 11,059	$ 11,059	$ 24,613
Investment Earnings	-	-	24	24	32
TOTAL REVENUES	-	-	11,083	11,083	24,645
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
Net Change in Fund Balance	-	-	11,083	11,083	24,645
FUND BALANCE, BEGINNING	28,073	28,073	28,073	-	3,428
FUND BALANCE, ENDING	$ 28,073	$ 28,073	$ 39,156	$ 11,083	$ 28,073

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
SCHOOL CROSSING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget- Positive (Negative)	2024 Actual Amounts
	Original	Final			
REVENUES					
Grants and Donations	$ 6,670	$ 6,670	$ 7,949	$ 1,279	$ 7,226
Investment Earnings	500	500	490	(10)	619
TOTAL REVENUES	7,170	7,170	8,439	1,269	7,845
EXPENDITURES					
Current:					
Public Safety	5,000	5,000	1,632	3,368	5,547
Capital Outlay	15,000	15,000	-	15,000	15,868
TOTAL EXPENDITURES	20,000	20,000	1,632	18,368	21,415
Net Change in Fund Balance	(12,830)	(12,830)	6,807	19,637	(13,570)
FUND BALANCE, BEGINNING	29,678	29,678	29,678	-	43,248
FUND BALANCE, ENDING	$ 16,848	$ 16,848	$ 36,485	$ 19,637	$ 29,678

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
POLICE GRANTS AND DONATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget- Positive (Negative)	2024 Actual Amounts
	Original	Final			
REVENUES					
Grants and Donations	$ 1,000	$ 1,000	$ 9,446	$ 8,446	$ 69,201
Investment Earnings	-	-	375	375	421
TOTAL REVENUES	1,000	1,000	9,821	8,821	69,622
EXPENDITURES					
Current:					
Public Safety	21,000	21,000	3,743	17,257	64,896
TOTAL EXPENDITURES	21,000	21,000	3,743	17,257	64,896
Net Change in Fund Balance	(20,000)	(20,000)	6,078	26,078	4,726
FUND BALANCE, BEGINNING	28,424	28,424	28,424	-	23,698
FUND BALANCE, ENDING	$ 8,424	$ 8,424	$ 34,502	$ 26,078	$ 28,424

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget- Positive (Negative)	2024 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	$ 24,142	$ 24,142	$ 24,465	$ 323	$ 24,052
Investment Earnings	700	700	722	22	917
TOTAL REVENUES	24,842	24,842	25,187	345	24,969
EXPENDITURES					
Current:					
Public Safety	9,000	9,000	10,868	(1,868)	13,999
TOTAL EXPENDITURES	9,000	9,000	10,868	(1,868)	13,999
Net Change in Fund Balance	15,842	15,842	14,319	(1,523)	10,970
FUND BALANCE, BEGINNING	68,736	68,736	68,736	-	57,766
FUND BALANCE, ENDING	$ 84,578	$ 84,578	$ 83,055	$ (1,523)	$ 68,736

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget- Positive (Negative)	2024 Actual Amounts
	Original	Final			
REVENUES					
Fines and Forfeitures	$ 29,128	$ 29,128	$ 29,516	$ 388	$ 28,965
Investment Earnings	26	26	24	(2)	32
TOTAL REVENUES	29,154	29,154	29,540	386	28,997
EXPENDITURES					
Current:					
Public Safety	2,500	2,500	-	2,500	-
TOTAL EXPENDITURES	2,500	2,500	-	2,500	-
Net Change in Fund Balance	26,654	26,654	29,540	2,886	28,997
FUND BALANCE, BEGINNING	81,170	81,170	81,170	-	52,173
FUND BALANCE, ENDING	$ 107,824	$ 107,824	$ 110,710	$ 2,886	$ 81,170

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
PUBLIC EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance with Final Budget- Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Franchise Taxes	$ 13,700	$ 13,700	$ 9,733	$ (3,967)	$ 11,314
TOTAL REVENUES	13,700	13,700	9,733	(3,967)	11,314
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
Net Change in Fund Balance	13,700	13,700	9,733	(3,967)	11,314
FUND BALANCE, BEGINNING	95,291	95,291	95,291	-	83,977
FUND BALANCE, ENDING	$ 108,991	$ 108,991	$ 105,024	$ (3,967)	$ 95,291

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
HOTEL MOTEL TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance with Final Budget- Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Occupancy Tax	$ 339,696	$ 339,696	$ 332,938	$ (6,758)	$ 344,431
Investment Earnings	3,000	3,000	9,456	6,456	14,263
TOTAL REVENUES	342,696	342,696	342,394	(302)	358,694
EXPENDITURES					
Current:					
General Government	18,500	18,500	37,172	(18,672)	36,799
Public Works	260,000	260,000	260,000	-	260,000
Capital Outlay	25,000	25,000	25,000	-	44,472
TOTAL EXPENDITURES	303,500	303,500	322,172	(18,672)	341,271
Net Change in Fund Balance	39,196	39,196	20,222	(18,974)	17,423
FUND BALANCE, BEGINNING	344,130	344,130	344,130	-	326,707
FUND BALANCE, ENDING	$ 383,326	$ 383,326	$ 364,352	$ (18,974)	$ 344,130

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget - Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Property Taxes	$ 665,000	$ 665,000	$ 691,027	$ 26,027	$ 661,699
TOTAL REVENUES	665,000	665,000	691,027	26,027	661,699
EXPENDITURES					
Debt Service:					
Principal	380,000	380,000	380,000	-	360,000
Interest	282,750	282,750	283,550	(800)	302,050
TOTAL EXPENDITURES	662,750	662,750	663,550	(800)	662,050
Net Change in Fund Balance	2,250	2,250	27,477	25,227	(351)
FUND BALANCE - BEGINNING	36,577	36,577	36,577	-	36,928
FUND BALANCE - ENDING	$ 38,827	$ 38,827	$ 64,054	$ 25,227	$ 36,577

CITY OF WINDCREST
COMPARATIVE BALANCE SHEETS
CRIME CONTROL AND PREVENTION DISTRICT
MODIFIED ACCRUAL BASIS OF ACCOUNTING
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 145,327	$ 498,936
Receivables (net of allowances):		
Sales Tax	127,243	126,522
Prepaid Items	74,705	-
TOTAL ASSETS	$ 347,275	$ 625,458
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 47,133	$ 18,458
Accrued Wages	32,197	27,095
Total Liabilities	79,330	45,553
Fund Balances:		
Nonspendable Prepaid Items	74,705	-
Restricted for:		
Public Safety	193,240	579,905
Total Fund Balances	267,945	579,905
TOTAL LIABILITIES AND FUND BALANCES	$ 347,275	$ 625,458

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT
CRIME CONTROL AND PREVENTION DISTRICT
MODIFIED ACCRUAL BASIS OF ACCOUNTING
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance with Final Budget- Positive	2024 Actual
	Original	Final	Amounts	(Negative)	Amounts
REVENUES					
Sales Tax	$ 1,213,313	$ 1,213,313	$ 825,700	$ (387,613)	$ 956,458
Investment Earnings	40,000	40,000	14,112	(25,888)	38,614
TOTAL REVENUES	1,253,313	1,253,313	839,812	(413,501)	995,072
EXPENDITURES					
Current:					
General Government	78,000	78,000	78,000	-	78,000
Public Safety	1,185,677	1,185,677	1,010,403	175,274	895,490
Capital Outlay	351,594	351,594	63,369	288,225	367,807
TOTAL EXPENDITURES	1,615,271	1,615,271	1,151,772	463,499	1,341,297
Net Change in Fund Balance	(361,958)	(361,958)	(311,960)	49,998	(346,225)
FUND BALANCE, BEGINNING	579,905	579,905	579,905	-	926,130
FUND BALANCE, ENDING	$ 217,947	$ 217,947	$ 267,945	$ 49,998	$ 579,905

CITY OF WINDCREST
COMPARATIVE BALANCE SHEETS
ECONOMIC DEVELOPMENT CORPORATION
MODIFIED ACCRUAL BASIS OF ACCOUNTING
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 1,744,451	$ 952,727
Investments	-	256,377
Receivables (net of allowances):		
Sales Tax	127,278	126,435
Prepaid Items	470	884
Due from Primary Government	-	52,743
TOTAL ASSETS	$ 1,872,199	$ 1,389,166
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 11,174	$ 9,480
Accrued Wages	5,012	3,644
Total Liabilities	16,186	13,124
Fund Balances:		
Nonspendable:		
Prepaid Items	470	884
Restricted for:		
Economic Development	1,855,543	1,375,158
Total Fund Balances	1,856,013	1,376,042
TOTAL LIABILITIES AND FUND BALANCES	$ 1,872,199	$ 1,389,166

CITY OF WINDCREST
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT CORPORATION
MODIFIED ACCRUAL BASIS OF ACCOUNTING
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget- Positive (Negative)	2024 Actual Amounts
	Original	Final			
REVENUES					
Sales Tax	$ 670,000	$ 670,000	$ 826,377	$ 156,377	$ 817,226
Investment Earnings	16,000	16,000	52,834	36,834	78,487
TOTAL REVENUES	686,000	686,000	879,211	193,211	895,713
EXPENDITURES					
Current:					
Personnel	234,000	234,000	226,844	7,156	225,275
Economic Development Projects	325,400	325,400	30,601	294,799	1,718,611
Administration	94,371	94,371	125,566	(31,195)	154,602
Debt Service:					
Principal	15,642	15,642	15,642	-	13,092
Interest	587	587	587	-	1,449
TOTAL EXPENDITURES	670,000	670,000	399,240	270,760	2,113,029
Net Change in Fund Balance	16,000	16,000	479,971	463,971	(1,217,316)
FUND BALANCE, BEGINNING	1,376,042	1,376,042	1,376,042	-	2,593,358
FUND BALANCE, ENDING	$ 1,392,042	$ 1,392,042	$ 1,856,013	$ 463,971	$ 1,376,042

CITY OF WINDCREST
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 10,165,341	$ 9,462,311
Investments	26,498	26,498
Receivables (net of allowances):		
Property Taxes	103,315	92,679
Sales Tax	640,578	636,383
Other	113,014	117,351
Prepaid Items	73,479	33,749
TOTAL ASSETS	$ 11,122,225	$ 10,368,971
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	$ 348,556	$ 378,490
Accrued Wages	205,880	221,430
Deposits	37,285	31,812
Due to Component Unit	-	52,743
Due to Other Governments	4,808,978	4,612,367
Total Liabilities	5,400,699	5,296,842
Deferred Inflows of Resources:		
Unavailable Property Tax Revenue	98,299	90,095
Total Deferred Inflows of Resources	98,299	90,095
Fund Balances:		
Nonspendable:		
Prepaid Items	73,479	33,749
Assigned for Swimming Facility	535,000	535,000
Unassigned	5,014,748	4,413,285
Total Fund Balances	5,623,227	4,982,034
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 11,122,225	$ 10,368,971

CITY OF WINDCREST
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
REVENUES		
Property Taxes	$ 3,331,985	$ 2,735,812
Sales and Mixed Beverage Taxes	4,157,837	4,096,595
Franchise Taxes	533,613	569,922
Licenses and Permits	209,410	189,697
Grants and Donations	6,067	54,239
Charges for Services	365,379	361,093
Fines and Forfeitures	955,865	888,064
Investment Earnings	268,023	316,061
Miscellaneous	249,864	1,243,650
TOTAL REVENUES	10,078,043	10,455,133
EXPENDITURES		
Current		
General Government	3,301,058	3,942,779
Public Safety	4,505,595	4,810,008
Public Works	1,346,343	1,214,668
Animal Control	578,601	422,054
Capital Outlay	104,376	215,442
Debt Service:		
Principal	98,996	75,791
Interest and Fiscal Charges	71,817	73,877
TOTAL EXPENDITURES	10,006,786	10,754,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,257	(299,486)
OTHER FINANCING SOURCES (USES)		
Sale of Equipment	47,500	-
Issuance of Notes Payable	72,436	-
Transfers In	450,000	300,000
TOTAL OTHER FINANCING SOURCES (USES)	569,936	300,000
Net Change in Fund Balance	641,193	514
Fund Balances, Beginning	4,982,034	4,981,520
Fund Balances, Ending	$ 5,623,227	$ 4,982,034

STATISTICAL SECTION

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

Financial Trends (Tables 1 through 4)

- Net Position by Component
- Change in Net Position
- Fund Balances - Governmental Funds
- Changes in Fund Balances - Governmental Funds

These schedules contain trend information to help reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5 through 9)

- Tax Revenues by Source - Governmental Funds
- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections

These schedules contain information to help readers assess the factors affecting the City's ability to generate its property and sales tax.

Debt Capacity (Tables 10 through 13)

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Debt Margin Information

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 14 through 15)

- Demographic and Economic Statistics
- Principal Employers

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information (Tables 16 through 18)

- Full-time Equivalent City Government Employees by Function
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF WINDCREST
NET POSITION, BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Net Investment in Capital Assets	$ 11,354,369	$ 11,623,156	$ 10,875,935	$ 10,059,768
Restricted	196,434	193,226	444,381	1,202,010
Unrestricted	2,277,577	1,611,708	1,609,009	1,751,258
Total Governmental Activities Net Position	$ 13,828,380	$ 13,428,090	$ 12,929,325	$ 13,013,036
Business-Type Activities				
Net Investment in Capital Assets	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Unrestricted	(177,409)	(279,930)	(285,376)	(211,338)
Total Business-Type Activities Net Position	$ (177,409)	$ (279,930)	$ (285,376)	$ (211,338)
Primary Government				
Net Investment in Capital Assets	$ 11,354,369	$ 11,623,156	$ 10,875,935	$ 10,059,768
Restricted	196,434	193,226	444,381	1,202,010
Unrestricted	2,100,168	1,331,778	1,323,633	1,539,920
Total Primary Government Net Position	$ 13,650,971	$ 13,148,160	$ 12,643,949	$ 12,801,698

In 2025, the City implemented GASB Statement 101 related to compensated absences. Prior years have not been restated.

TABLE 1

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 10,415,790	$ 12,153,509	$ 11,715,752	$ 10,542,812	$ 9,475,285	$ 8,016,584
1,306,165	500,283	872,001	1,825,175	2,096,050	2,560,750
1,839,575	3,027,229	5,282,913	3,924,864	3,138,930	3,790,807
$ 13,561,530	$ 15,681,021	$ 17,870,666	$ 16,292,851	$ 14,710,265	$ 14,368,141
$ -	$ 23,414	$ 25,382	$ 26,809	$ 18,823	$ 54,506
-	-	-	-	-	-
(105,528)	90,631	(5,786)	213,263	456,839	588,065
$ (105,528)	$ 114,045	$ 19,596	$ 240,072	$ 475,662	$ 642,571
$ 10,415,790	$ 12,176,923	$ 11,741,134	$ 10,569,621	$ 9,494,108	$ 8,071,090
1,306,165	500,283	872,001	1,825,175	2,096,050	2,560,750
1,734,047	3,117,860	5,277,127	4,138,127	3,595,769	4,378,872
$ 13,456,002	$ 15,795,066	$ 17,890,262	$ 16,532,923	$ 15,185,927	$ 15,010,712

CITY OF WINDCREST
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year 2016	2017	2018	2019
Expenses				
Governmental Activities				
General Government	$ 2,614,526	$ 2,918,483	$ 3,035,712	$ 3,343,446
Public Safety	2,914,177	3,019,638	3,184,789	3,016,525
Public Works	1,059,032	1,170,154	1,148,021	1,991,490
Animal Control	170,533	171,400	175,286	166,937
Interest	-	16,622	-	-
Total Governmental Activities Expenses	6,758,268	7,296,297	7,543,808	8,518,398
Business-Type Activities				
Garbage Service	884,034	1,003,812	981,034	1,094,302
Total Business-Type Activities	884,034	1,003,812	981,034	1,094,302
Total Primary Government Expenses	$ 7,642,302	$ 8,300,109	$ 8,524,842	$ 9,612,700
Program Revenues				
Governmental Activities				
Charges for Service:				
General Government	$ 369,214	$ 198,228	$ 132,724	$ 260,211
Public Safety	535,064	672,825	419,862	652,218
Public Works	-	189,444	217,634	263,343
Animal Control	-	387	530	340
Operating Grants and Contributions	35,766	16,524	29,453	36,198
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities Program Revenues	940,044	1,077,408	800,203	1,212,310
Business-Type Activities				
Charges for Service:				
Garbage Service	827,629	901,212	975,300	1,243,179
Total Business-Type Activities Program Revenues	827,629	901,212	975,300	1,243,179
Total Primary Government Program Revenues	$ 1,767,673	$ 1,978,620	$ 1,775,503	$ 2,455,489

In 2025, the City implemented GASB Statement 101 related to compensated absences. Prior years have not been restated.

TABLE 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 3,459,623	$ 3,476,793	$ 3,626,272	$ 3,661,714	$ 4,441,356	$ 3,646,247
3,496,269	3,566,616	3,864,413	5,023,070	5,830,366	4,695,172
1,678,987	1,947,461	2,606,989	3,699,069	3,478,358	3,651,914
170,817	154,242	198,920	295,115	442,299	581,606
-	-	227,506	240,784	278,228	265,236
8,805,696	9,145,112	10,524,100	12,919,752	14,470,607	12,840,175
1,150,681	1,530,990	2,796,428	2,734,209	2,688,041	2,887,205
1,150,681	1,530,990	2,796,428	2,734,209	2,688,041	2,887,205
$ 9,956,377	$ 10,676,102	$ 13,320,528	$ 15,653,961	$ 17,158,648	$ 15,727,380
$ 364,462	$ 507,648	$ 586,320	$ 509,858	$ 544,524	$ 573,910
574,818	583,817	717,548	867,443	973,768	1,024,340
139,755	-	-	-	-	-
265	260	-	-	-	-
159,727	81,490	121,423	141,599	402,289	126,462
287,219	765,420	-	-	61,377	-
1,526,246	1,938,635	1,425,291	1,518,900	1,981,958	1,724,712
1,381,333	1,875,561	2,826,977	3,078,618	3,222,486	3,503,210
1,381,333	1,875,561	2,826,977	3,078,618	3,222,486	3,503,210
$ 2,907,579	$ 3,814,196	$ 4,252,268	$ 4,597,518	$ 5,204,444	$ 5,227,922

CITY OF WINDCREST
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year 2016	2017	2018	2019
Net (Expenses)/Revenue				
Governmental Activities	$ (5,818,224)	$ (6,218,889)	$ (6,743,605)	$ (7,306,088)
Business-Type Activities	(56,405)	(102,600)	(5,734)	148,877
Total Primary Government Net Expenses	$ (5,874,629)	$ (6,321,489)	$ (6,749,339)	$ (7,157,211)
Governmental Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes	$ 1,752,353	$ 1,778,300	$ 1,895,538	$ 2,198,880
Sales and Mixed Beverage Taxes	3,469,257	3,256,202	3,458,930	3,988,492
Franchise Taxes	625,850	635,987	637,332	602,464
Occupancy Taxes	147,727	116,870	260,194	307,276
General Grants	-	-	-	-
Interest and Investment Earnings	1,454	9,537	24,340	84,623
Miscellaneous	124,967	43,998	111,729	83,064
Transfers	-	-	-	125,000
Total Governmental Activities	6,121,608	5,840,894	6,388,063	7,389,799
Business-Type Activities				
Interest and Investment Earnings	3	79	288	463
Miscellaneous	-	-	-	-
Transfers	-	-	-	(125,000)
Total Business-Type Activities	3	79	288	(124,537)
Total Primary Government	$ 6,121,611	$ 5,840,973	$ 6,388,351	$ 7,265,262
Changes In Net Position				
Government Activities	$ 303,384	$ (377,995)	$ (355,542)	$ 83,711
Business-Type Activities	(56,402)	(102,521)	(5,446)	24,340
Total Primary Government	$ 246,982	$ (480,516)	$ (360,988)	$ 108,051

TABLE 2 (Continued)

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (7,279,450)	$ (7,206,477)	$ (9,098,809)	$ (11,400,852)	$ (12,488,649)	$ (11,115,463)
230,652	344,571	30,549	344,409	534,445	616,005
$ (7,048,798)	$ (6,861,906)	$ (9,068,260)	$ (11,056,443)	$ (11,954,204)	$ (10,499,458)
$ 2,846,825	$ 2,899,528	$ 3,017,667	$ 3,123,986	$ 3,410,564	$ 4,032,534
4,212,900	5,317,030	5,966,905	5,099,742	4,931,308	4,984,214
580,959	594,575	682,681	641,328	581,236	543,346
205,229	250,745	328,898	344,473	344,431	332,938
-	-	1,085,509	-	-	-
67,352	902	3,207	328,383	351,681	280,498
78,357	138,188	78,587	160,125	986,843	269,904
125,000	125,000	125,000	125,000	300,000	450,000
8,116,622	9,325,968	11,288,454	9,823,037	10,906,063	10,893,434
158	2	2	1,067	1,145	904
-	-	-	-	-	-
(125,000)	(125,000)	(125,000)	(125,000)	(300,000)	(450,000)
(124,842)	(124,998)	(124,998)	(123,933)	(298,855)	(449,096)
$ 7,991,780	$ 9,200,970	$ 11,163,456	$ 9,699,104	$ 10,607,208	$ 10,444,338
$ 837,172	$ 2,119,491	$ 2,189,645	$ (1,577,815)	$ (1,582,586)	$ (222,029)
105,810	219,573	(94,449)	220,476	235,590	166,909
$ 942,982	$ 2,339,064	$ 2,095,196	$ (1,357,339)	$ (1,346,996)	$ (55,120)

CITY OF WINDCREST
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
General Fund:				
Nonspendable	$ -	$ 7,372	$ 11,781	$ 16,528
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	2,451,808	2,184,226	1,817,428	1,954,260
Total General Fund	$ 2,451,808	$ 2,191,598	$ 1,829,209	$ 1,970,788
All Other Governmental Funds:				
Nonspendable	$ -	$ -	$ -	$ 569,638
Restricted	191,591	193,226	444,381	9,808,509
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(153,983)	-	-	-
Total All Other Governmental Funds	$ 37,608	$ 193,226	$ 444,381	$ 10,378,147

TABLE 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 12,711	$ 22,059	$ 11,943	$ 19,883	$ 33,749	$ 73,479
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	535,000	535,000
2,285,068	3,323,759	5,347,027	4,961,637	4,413,285	5,014,748
$ 2,297,779	$ 3,345,818	$ 5,358,970	$ 4,981,520	$ 4,982,034	$ 5,623,227
$ 1,422,585	$ -	$ -	$ -	$ -	$ -
6,854,311	4,767,005	1,338,954	2,287,500	2,112,289	2,575,068
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 8,276,896	$ 4,767,005	$ 1,338,954	$ 2,287,500	$ 2,112,289	$ 2,575,068

CITY OF WINDCREST
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
REVENUES				
Taxes	$ 5,998,885	$ 5,787,127	$ 6,248,164	$ 7,092,635
Fines and Forfeitures	600,944	631,323	482,577	550,812
Licenses and Permits	250,292	219,442	236,224	278,660
Grants and Donations	35,766	62,524	29,453	130,398
Charges for Services	118,922	104,107	102,440	114,154
Investment Earnings	1,454	9,537	24,340	84,623
Miscellaneous	124,967	43,998	101,729	101,864
TOTAL REVENUES	7,131,230	6,858,058	7,224,927	8,353,146
EXPENDITURES				
Current:				
General Government	2,212,328	2,454,611	2,606,444	2,935,468
Public Safety	2,454,506	2,549,235	2,768,642	2,850,078
Public Works	896,126	1,034,775	992,785	1,025,615
Animal Control	144,119	144,137	151,640	157,564
Capital Outlay	1,346,068	1,288,201	687,438	694,864
Debt Service:				
Principal	-	74,421	120,534	125,650
Interest	-	16,622	18,678	13,562
Bond Issue Costs	-	-	-	184,195
TOTAL EXPENDITURES	7,053,147	7,562,002	7,346,161	7,986,996
Excess (Deficiency) of Revenues Over (Under) Expenditures	78,083	(703,944)	(121,234)	366,150
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	-	-	10,000	-
Issuance of Bonds and Notes	-	621,647	-	8,465,000
Transfers In	140,000	213,704	146,827	326,068
Transfers Out	(140,000)	(213,704)	(146,827)	(201,068)
Bond Premium	-	-	-	1,119,195
TOTAL OTHER FINANCING SOURCES (USES)	-	621,647	10,000	9,709,195
NET CHANGE IN FUND BALANCE	$ 78,083	$ (82,297)	$ (111,234)	$ 10,075,345
Debt Service as a Percentage of Noncapital Expenditures	0.0%	1.5%	2.1%	2.0%

TABLE 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 7,826,931	$ 9,050,143	$ 9,989,931	$ 9,197,046	$ 9,254,486	$ 9,883,510
593,342	589,783	715,423	865,419	965,694	1,021,000
156,582	203,466	207,822	156,027	189,697	209,410
539,946	899,910	1,128,932	40,682	130,666	23,462
226,294	245,476	396,195	353,079	361,093	365,379
67,352	902	3,203	328,386	351,680	280,494
28,357	90,046	88,015	185,819	1,243,650	249,864
9,438,804	11,079,726	12,529,521	11,126,458	12,496,966	12,033,119
3,038,340	3,091,128	3,306,442	3,204,636	3,979,578	3,338,230
3,096,831	3,400,055	3,838,763	4,172,722	4,894,450	4,521,838
956,970	829,050	1,160,484	1,468,854	1,477,168	1,606,343
160,331	154,016	190,660	268,910	422,054	578,601
3,346,230	5,489,231	4,863,728	1,741,433	1,386,695	619,708
361,000	400,597	371,934	439,892	435,791	478,996
428,362	355,143	337,409	343,900	375,927	355,367
-	-	-	-	-	-
11,388,064	13,719,220	14,069,420	11,640,347	12,971,663	11,499,083
(1,949,260)	(2,639,494)	(1,539,899)	(513,889)	(474,697)	534,036
50,000	52,642	-	-	-	47,500
-	-	-	959,985	-	72,436
426,281	524,350	125,000	125,000	300,000	450,000
(301,281)	(399,350)	-	-	-	-
-	-	-	-	-	-
175,000	177,642	125,000	1,084,985	300,000	569,936
$ (1,774,260)	$ (2,461,852)	$ (1,414,899)	$ 571,096	$ (174,697)	$ 1,103,972
10.9%	10.1%	7.7%	7.9%	7.0%	7.7%

CITY OF WINDCREST
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use Mixed Beverage	Occupancy	Franchise	Total Taxes
2016	$ 1,756,051	$ 3,469,257	$ 147,727	$ 625,850	$ 5,998,885
2017	1,778,068	3,255,832	117,240	635,987	5,787,127
2018	1,891,708	3,458,930	260,194	637,332	6,248,164
2019	2,194,403	3,988,492	307,276	602,464	7,092,635
2020	2,827,843	4,212,900	205,229	580,959	7,826,931
2021	2,887,793	5,317,030	250,745	594,575	9,050,143
2022	3,011,448	5,966,905	328,898	682,680	9,989,931
2023	3,111,503	5,099,741	344,473	641,329	9,197,046
2024	3,397,511	4,931,308	344,431	581,236	9,254,486
2025	4,023,012	4,984,214	332,938	543,346	9,883,510

CITY OF WINDCREST
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 6

Fiscal Year	Residential Property	Commercial Property	Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2016	$ 461,815,398	$ 211,119,602	$ 31,789,782	$ 641,145,218	0.334100
2017	468,137,175	238,615,438	32,853,842	673,898,771	0.308093
2018	509,339,041	261,212,711	37,459,787	733,091,965	0.308092
2019	521,930,090	252,790,142	37,857,092	736,863,140	0.327469
2020	565,643,613	332,512,538	47,872,400	850,283,751	0.413544
2021	600,936,840	314,293,933	49,564,864	865,665,909	0.409494
2022	574,237,696	387,109,425	141,239,887	820,107,234	0.409494
2023	705,344,277	436,740,240	253,115,560	888,968,957	0.390000
2024	758,212,868	490,046,358	266,433,027	981,826,199	0.388171
2025	773,187,333	516,500,931	266,890,493	1,022,797,771	0.393917

Source: Bexar County Appraisal District

NOTES: Property in the City of Windcrest is reassessed every year at estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per $100 of assessed value. Total taxable assessed value is before any applicable freeze adjustments.

CITY OF WINDCREST
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 7

	City Direct Rates		
Fiscal Year	General Fund	Debt Service	Total Direct
2016	0.334100	-	0.334100
2017	0.308093	-	0.308093
2018	0.308092	-	0.308092
2019	0.327469	-	0.327469
2020	0.327469	0.086075	0.413544
2021	0.323414	0.086080	0.409494
2022	0.321494	0.088000	0.409494
2023	0.320000	0.070000	0.390000
2024	0.320188	0.067983	0.388171
2025	0.325937	0.067980	0.393917

	Overlapping Rates				
Fiscal Year	Northeast ISD	Alamo Community College	San Antonio River Authority	Bexar County	Bexar County Flood
2016	1.4150	0.14915	0.01729	0.29750	0.01700
2017	1.3850	0.14915	0.01729	0.29325	0.01570
2018	1.3650	0.14915	0.01729	0.29123	0.01287
2019	1.3600	0.14915	0.01858	0.27743	0.02367
2020	1.2900	0.14915	0.01858	0.27743	0.02367
2021	1.2684	0.14915	0.01858	0.27743	0.02367
2022	1.2525	0.14915	0.01858	0.27633	0.02367
2023	1.1822	0.14915	0.01836	0.27633	0.02367
2024	1.0105	0.14915	0.01800	0.27633	0.02367
2025	1.0007	0.14915	0.01787	0.27633	0.02367

Source: *Bexar County Tax Offices*

NOTE: *Overlapping rates are those of local and county governments that apply within the City of Windcrest. Not all overlapping rates apply to all City of Windcrest property owners.*

CITY OF WINDCREST
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 8

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Eastgroup Properties LP	$ 112,314,040	1	10.98%			
US Auto Force	18,287,920	2	1.79%			
HCP Reit Operating Company IV	18,263,770	3	1.79%	$ 15,597,700	1	2.43%
HD Development Property, LP	14,250,130	4	1.39%	10,674,710	2	1.66%
ML-San Antonio-Crestwind LLC	10,900,000	5	1.07%			
QT South LLC	9,935,340	6	0.97%			
OREP Tradewinds LLC	8,300,000	7	0.81%			
Goodwill Industries of SA	8,180,590	8	0.80%			
Global Windcrest II LLC	8,020,550	9	0.78%			
Settlers Bay Properties	6,341,700	10	0.62%			
SLV IV Eisenhauerpoint LP				8,348,170	3	1.30%
SBV- Villas of Windcrest LLC				6,500,000	4	1.01%
H M Palm & Harden Jack				5,543,280	5	0.86%
James F Cotter				5,409,750	8	0.84%
Riverside 193 Inc Et Al				4,700,000	6	0.73%
Jones-Tradewinds Apartments				4,500,000	7	0.70%
Gigante Flea Mart LP				4,423,530	8	0.69%
Terrard Inc				4,200,000	10	0.66%
TOTALS	$ 214,794,040		21.00%	$ 69,897,140		10.90%
TOTAL TAXABLE ASSESSED VALUE	$ 1,022,797,771			$ 641,145,218		

Source: Bexar County Appraisal District.

CITY OF WINDCREST
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2016	$ 1,766,990	$ 1,743,144	98.65%	$ 13,284	$ 1,756,428	99.40%
2017	1,782,236	1,766,938	99.14%	3,146	1,770,084	99.32%
2018	1,900,418	1,881,259	98.99%	3,622	1,884,881	99.18%
2019	2,208,418	2,189,921	99.16%	5,239	2,195,160	99.40%
2020	3,080,152	3,049,488	99.00%	11,964	3,061,452	99.39%
2021	3,252,028	3,220,128	99.02%	10,698	3,230,826	99.35%
2022	3,360,329	3,330,261	99.11%	11,459	3,341,720	99.45%
2023	3,470,777	3,430,151	98.83%	9,334	3,439,485	99.10%
2024	3,812,510	3,767,383	98.82%	17,883	3,785,266	99.29%
2025	4,030,191	3,983,764	98.85%	-	3,983,764	98.85%

Source: Bexar County Tax Assessor/Collector

CITY OF WINDCREST
RATIOS OF DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS

TABLE 10

	Governmental Activities		Business-Type			
Fiscal Year	General Obligation Bonds	Notes Payable	Notes Payable	Total Primary Government	Percent of Personal Income	Per Capita
2016	$ -	$ 384,539	$ -	$ 384,539	0.22%	66
2017	-	514,715	-	514,715	0.28%	88
2018	-	394,181	-	394,181	0.18%	67
2019	9,569,179	268,531	-	9,837,710	4.41%	1,675
2020	9,279,936	137,531	-	9,417,467	4.40%	1,606
2021	8,910,692	46,934	-	8,957,626	4.34%	1,530
2022	8,479,500	-	-	8,479,500	3.49%	1,379
2023	8,038,572	860,093	107,445	9,006,110	3.44%	1,536
2024	7,583,185	784,302	82,959	8,450,446	2.72%	1,467
2025	7,113,656	757,742	56,953	7,928,351	2.54%	1,371

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 14.

CITY OF WINDCREST
RATIOS OF GENERAL BONDED DEBT OUSTANDING
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year	General Obligation Bonds	Less Resources Restricted for Debt Service	Net Debt Outstanding	Percentage of Taxable Value of Property	Per Capita
2016	$ -	$ -	$ -	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	9,569,179	-	9,569,179	1.30%	1,630
2020	9,279,936	-	9,279,936	1.09%	1,582
2021	8,910,692	-	8,910,692	1.03%	1,522
2022	8,479,500	(53,296)	8,532,796	1.04%	1,387
2023	8,038,572	(16,528)	8,055,100	0.91%	1,373
2024	7,583,185	(20,338)	7,603,523	0.77%	1,320
2025	7,113,656	(49,736)	7,163,392	0.70%	1,239

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 6 for the City's property tax value data. City population data can be found in Table 14.

CITY OF WINDCREST
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
CURRENT YEAR

TABLE 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Alamo CCD	$ 844,175,000	0.42%	$ 3,545,535
Bexar County	2,152,210,000	0.42%	9,039,282
Bexar County Hospital District	1,238,865,000	0.42%	5,203,233
North East ISD	1,014,490,000	1.78%	18,057,922
Subtotal, Overlapping Debt			35,845,972
City Direct Debt			7,113,656
TOTAL DIRECT AND OVERLAPPING DEBT			$ 42,959,628

NOTES: The overlapping debt was received from the Municipal Advisory Council of Texas. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Overlapping debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the limits of the City of Windcrest. This schedule is intended to demonstrate the total debt that the City of Windcrest property tax payers will be expected to repay. The amount of debt applicable to the City of Windcrest is computed by (a) determining what portion of total assessed value of the overlapping jurisdiction lies within the limits of the City and (b) applying this percentage to the total governmental activities debt of the overlapping jurisdiction.

CITY OF WINDCREST
DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE 13

Assessed Value		$ 1,022,797,771
Debt Limit - Texas statues do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value.		$ 102,279,777
Amount of Applicable Debt:		
Outstanding Debt	$ 7,113,656	
Less Debt Service Net Position	(49,736)	7,063,920
DEBT MARGIN		$ 95,215,857
Total Net Debt as a Percentage of Debt Margin		7.42%

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Debt Margin
2016	64,114,522	-	64,114,522
2017	67,389,877	-	67,389,877
2018	73,309,197	-	73,309,197
2019	73,686,314	(9,569,179)	64,117,135
2020	85,028,375	(9,279,936)	75,748,439
2021	86,566,591	(8,910,692)	77,655,899
2022	82,010,723	(8,532,796)	73,477,927
2023	88,896,896	(8,055,100)	80,841,796
2024	98,182,620	(7,603,523)	90,579,097

CITY OF WINDCREST
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 14

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	5,833	$ 172,820,124	$ 29,628	37.9	1,012	3.9%
2017	5,857	185,485,333	31,669	38.6	1,047	3.2%
2018	5,874	214,635,960	36,540	51.6	1,220	3.1%
2019	5,872	222,906,992	37,961	49.7	1,133	7.6%
2020	5,865	214,037,310	36,494	46.5	1,111	6.7%
2021	5,854	206,294,960	35,240	47.8	1,022	4.2%
2022	6,151	242,982,953	39,503	51.1	1,445	4.7%
2023	5,865	261,500,000	44,583	50.4	1,227	2.9%
2024	5,759	310,611,665	53,935	53.5	791	3.9%
2025	5,782	311,852,170	53,935	53.5	679	4.2%

Sources: Population, personal income, median age and education level information are provided by the United States Census Bureau. School enrollment information is provided by the North East Independent School District. Unemployment data is provided by the Texas Workforce Commission.

CITY OF WINDCREST
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE 15

	2025			2016		
SAN ANOTNIO EMPLOYERS	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Joint Base San Antonio	86,097	1	7.38%	93,434	1	9.82%
H-E-B Food Stores	20,000	2	1.72%	20,000	2	2.10%
USAA	17,000	3	1.46%	17,000	3	1.79%
City of San Antonio	15,501	4	1.33%	11,770	5	1.24%
Northside ISD	13,191	5	1.13%	13,698	4	1.44%
Methodist Healthcare	12,000	6	1.03%	8,118	7	0.85%
UT Health Science Center	8,500	7	0.73%			
North East ISD	8,069	8	0.69%	9,209	6	0.97%
San Antonio ISD	7,136	9	0.61%	7,423	8	0.78%
Baptist Health Systems	7,024	10	0.60%	6,498	9	0.68%
JP Morgan Chase Bank NA				5,000	10	0.53%
Total	194,518		16.68%	192,150		20.20%

	2025		2018	
WINDCREST EMPLOYERS	EMPLOYEES	RANK	EMPLOYEES	RANK
Home Depot	179	1	130	2
Amazon Prime Now/Fresh	150	2		
City of Windcrest	83	3		
Crunch Fitness	75	4		
Buffalo Wild Wings	57	5		
Red Lobster	45	6		
US Auto Force	40	7		
Brady Plus	305	8		
Chipotle	30	9		
Drury Inn and Suites	29	10	25	9
Frost Bank			35	6
Rackspace			2,500	1
Halfen USA Incorporated			80	3
Allios			70	4
CED Greentec			45	5
U.S Auto Force			25	8
7 Conn's			30	7
Ferguson Plumbing			20	10
Total	993		2,960	

Source: City of Windcrest Economic Development Corporation and the San Antonio Economic Development Foundation. Information for local employers was not available prior to 2018.

Note: The City of Windcrest is a suburb of the City of San Antonio, where a significant portion of Windcrest residents commute to work. Information is presented for San Antonio.

CITY OF WINDCREST
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

TABLE 16

	Full-Time Equivalent Employees as of September 30,									
Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Business Office	5.0	6.0	6.0	6.0	7.0	7.0	10.0	10.5	4.5	4.5
Court	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0
Events Specialist	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0	1.0
Finance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Postal Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Safety										
Police										
Officers	25.0	30.0	27.0	27.0	28.0	27.0	23.0	25.0	25.0	25.0
Civilians	8.0	7.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0	6.0
Fire										
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Firefighters and Officers	1.5	1.5	2.0	2.0	8.0	8.0	8.0	10.0	12.0	12.0
Public Works	10.0	12.0	12.0	12.0	12.0	12.0	9.0	9.0	9.0	9.0
Fleet Mechanic	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Civic Center	2.0	0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0
TOTAL	66.5	65.0	61.5	61.5	68.5	68.5	67.5	72.0	72.5	72.5

Source: City Adopted Budgets

Note Full-time equivalent is based on the schedule hours of positions to a 40 hour work week.

CITY OF WINDCREST
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	Fiscal Year 2016	2017	2018	2019
Police				
Traffic Violations	6,116	5,370	4,019	5,597
Arrests	946	1,168	844	973
Fire				
Fire Calls	20	21	16	409
EMS Calls	810	695	692	779
Inspections	-	-	542	286
General Government				
Permits Issued	1,636	896	795	883
Inspections Performed	1,161	871	1,327	-
Garbage				
Total Residential Accounts	2,432	2,365	2,408	2,373
Total Commercial Accounts	92	94	102	120
Court				
Cases Filed	9,543	9,714	6,561	6,811
Cases Heard	5,291	9,338	4,638	6,327

Source: Various City Departments.

TABLE 17

Fiscal Year					
2020	2021	2022	2023	2024	2025
7,662	6,360	9,822	11,359	7,695	12,726
855	634	823	539	632	431
355	389	453	807	647	970
784	906	846	1,047	1,141	1,454
311	306	262	1,070	2,249	2,563
1,024	1,200	953	893	961	997
-	138	787	834	706	738
2,329	2,413	2,466	2,519	2,271	2,336
125	122	123	122	123	120
8,835	6,833	12,455	13,388	12,204	11,621
5,481	5,454	7,598	8,671	8,786	9,250

CITY OF WINDCREST
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE 18

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Officers	23	27	29	30	30	30	32	33	33	33
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Fighters - Paid	-	-	-	-	-	6	6	12	12	12
Fire Fighters - Volunteer	29	24	25	26	29	27	26	19	20	20
Recreation										
Community Centers	1	1	1	1	1	1	1	1	1	1
Parks	3	3	3	3	3	3	3	3	3	3
Swimming Pools	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

COMPLIANCE SECTION

Armstrong, Vaughan & Associates, P. C.
Certified Public Accountants

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*

INDEPENDENT AUDITOR'S REPORT

To the City Council and management
City of Windcrest

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Windcrest as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise City of Windcrest's basic financial statements, and have issued our report thereon dated January 19, 2026. The financial statements of the Windcrest Economic Development Corporation (one of the discretely presented component units) were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Windcrest's internal control over financial reporting (internal control) to determine the 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 Windcrest's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Windcrest'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

941 West Byrd Blvd., Suite 101 • Universal City, Texas 78148
Phone: 210-658-6229 • Fax: 210-659-7611 • Email: info@avacpa.com • www.avacpa.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Windcrest'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 determination of financial statement amounts. 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.*

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.

Armstrong, Vaughan & Associates, P.C.

Armstrong, Vaughan & Associates, P.C.

January 19, 2026