

CITY OF WESTON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED September 30, 2021

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City of Weston, Texas
List of Principal Officials
September 30, 2021

MAYOR

Jim Marischen

MAYOR PRO TEM

Maria Whitworth

COUNCIL MEMBERS

Heather Richardson

Mike Hill

Carol Decker

Kevin Deal

SECRETARY

Susan Coffey

ATTORNEY

Abernathy, Roeder, Boyd & Hullett PC

FINANCIAL SECTION

Independent Auditor's Report

To the City Council
City of Weston,
Texas

We have audited the accompanying financial statements of the governmental activities and major funds of the City of Weston, Texas as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Weston, Texas, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules be presented to supplement the basic financial statements. Such information, although not 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Weston, Texas' basic financial statements. The schedule of comparative revenues and expenditures - general fund is presented for additional analysis and are not a part of the basic financial statements.

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

Fox, Byrd + Company, P.C.

Fox, Byrd & Company, P.C.

April 25, 2025

CITY OF WESTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Weston, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. The information provided here should be used in conjunction with the basis financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities at September 30, 2021 by \$1,426,653, an increase of \$806,158 from the prior year.
- The City's governmental fund balance increased \$77,465 during the 2021 fiscal year to a total of \$461,363.

USING THIS ANNUAL REPORT

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

Reporting the City as a Whole - Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities

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

The Statement of Net Position (page 14) 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 (page 15) presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the 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 compensated absences). Capital grant funds are reported as revenues in the Statement of Activities.

The City currently provides only Governmental type activities. Governmental activities include basic services such as ambulance, inspection, streets and general administration. Property taxes, sales taxes, franchise fees and permit revenues finance most of these activities. The City does not provide any Business-type activities such as water or sewer systems.

Reporting the City's Most Significant Funds

Fund Financial Statements

All of the City's activities are accounted for in governmental funds. Governmental funds focus on how money flows into and out of the funds and the balances left at the end of the year that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

Notes to 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 begin on page 12.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's net position as of September 30, 2021 and 2020 are as follows:

	NET POSITION			
	Governmental Activities		Total Primary Government	
	2021	2020	2021	2020
Current and Other Assets	\$ 580,729	\$ 415,198	\$ 580,729	\$ 415,198
Capital Assets	<u>963,234</u>	<u>234,680</u>	<u>963,234</u>	<u>234,680</u>
Total Assets	1,543,963	649,878	1,543,963	649,878
Long-Term Debt	-	-	-	-
Other Liabilities	<u>117,310</u>	<u>29,383</u>	<u>117,310</u>	<u>29,383</u>
Total liabilities	117,310	29,383	117,310	29,383
Net position:				
Net investment in capital assets	963,234	234,680	963,234	234,680
Restricted	-	-	-	-
Unrestricted	<u>463,419</u>	<u>385,815</u>	<u>463,419</u>	<u>385,815</u>
Total net position	<u>\$ 1,426,653</u>	<u>\$ 620,495</u>	<u>\$ 1,426,653</u>	<u>\$ 620,495</u>

The City has two significant assets, its cash balances and its investment in capital assets, (buildings, office equipment, public works.) The cash balance of \$494,394 at September 30, 2021 is unrestricted and the City uses these funds for operations and reserves. The City uses its capital assets to provide services to the City's citizens, consequently these assets are not available for future spending.

Analysis of City's Operations

The following table provides a summary of the City's Changes in Net Position for the years ended September 30, 2021 & 2020.

	Governmental Activities		Total Primary Government	
	2021	2020	2021	2020
Program Revenues				
Property Taxes	\$ 133,842	\$ 126,490	\$ 133,842	\$ 126,490
Sales Taxes	14,338	13,249	14,338	13,249
Franchise Fees	14,803	15,427	14,803	15,427
Permits and Fees	18,044	6,248	18,044	6,248
Donations	769,378	50,000	769,378	50,000
Rents	400	-	400	-
Interest Income	173	159	173	159
Total Revenues	<u>950,978</u>	<u>211,573</u>	<u>950,978</u>	<u>211,573</u>
Program Expenses				
General Government	\$ 92,889	\$ 91,968	\$ 92,889	\$ 91,968
Public Health	38,643	8,492	38,643	8,492
Streets	13,288	86,671	13,288	86,671
Capital Outlay	0	-	0	-
Total Expenses	<u>144,820</u>	<u>187,131</u>	<u>1,994,846</u>	<u>187,131</u>
 Increase (decrease in net position)	 806,158	 24,442	 806,158	 24,442
 Net position - October 1	 <u>620,495</u>	 <u>596,053</u>	 <u>620,495</u>	 <u>596,053</u>
 Net position - September 30	 <u>\$ 1,426,653</u>	 <u>\$ 620,495</u>	 <u>\$ 1,426,653</u>	 <u>\$ 620,495</u>

The City's property tax rate remained the same in 2021 as it was in 2020, 36 cents per \$100 of valuation. Due to an increase in property values within the City, property tax revenues increased \$7,352 in 2021. The City's sales tax revenue increased in 2021 but the franchise fee revenues decreased.

GOVERNMENTAL FUND ANALYSIS

The focus of the City's governmental fund 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, unreserved fund balance may serve as a measure of a government's net resources available for spending at the end of the fiscal year.

A comparative schedule of General Fund revenues and expenditures is as follows:

	2021	2020
REVENUES		
Property Taxes	\$ 133,703	\$ 126,081
Sales Taxes	14,338	13,249
Franchise Fees	14,803	15,427
Permits & Fees	18,044	6,248
Donations	769,378	50,000
Rents	400	-
Interest Income	173	159
TOTAL REVENUES	<u>950,839</u>	<u>211,164</u>
EXPENDITURES		
General Government	118,835	84,123
Public Health	7,886	8,492
Streets	13,288	55,914
Capital Outlay	733,365	15,892
TOTAL EXPENDITURES	<u>873,374</u>	<u>164,421</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 77,465</u>	<u>\$ 46,743</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual expenditures of \$873,375 exceeded budgeted expenditures of \$192,750 mostly due to capital outlay not budgeted. This was offset by actual resources of \$950,839 exceeding budgeted resources by \$758,089 mostly due to developer contributions (donations) not being budgeted.

CAPITAL ASSETS

The City's investment in capital assets as of September 30, 2021 amounts to \$963,234 (net of depreciation). The investment in capital assets includes land, buildings, construction in progress, office equipment and infrastructure. A schedule of capital assets (net of accumulated depreciation) is as follows:

	<u>Governmental Activities</u>	<u>Governmental Activities</u>	
	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>Change</u>
Land	\$ 34,500	\$ 34,500	\$ -
Construction in Progress	733,365	-	733,365
Building and improvements	52,499	22,496	30,003
Equipment	10,514	14,571	(4,057)
Public Works	132,356	163,113	(30,757)
	<u>\$ 963,234</u>	<u>\$ 234,680</u>	<u>\$ 728,554</u>

The major capital additions during the current fiscal year includes construction in progress for the Waste Water Treatment Plant as well as significant upgrades to the city buildings. Additional information on the City's capital assets can be found in Note 3.

DEBT ADMINISTRATION

The City does not have any outstanding long-term debts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year 2021 budget included budgeted revenues of \$192,750 and budgeted expenditures of \$192,750. Budgeted revenues include property taxes of \$150,000, which were based on a tax rate of 36 cents per \$100 of assessed value, the same tax rate as used in 2020. Budgeted revenues also include \$10,500 of construction permit revenues.

Budgeted 2021 expenditures include \$35,000, for salaries and benefits, \$15,000 for legal fees, \$12,700 for engineering fees, \$17,000 for city planner fees, \$3,000 for ambulance services, and \$14,700 for road repairs.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City of Weston. If you have questions about this report or need any additional information, contact the City Secretary at P.O. Box 248, Weston, TX 75097 or at (972) 382-1001.

Basic Financial Statements

City of Weston
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Total
ASSETS		
CURRENT ASSETS		
Cash	\$ 494,394	\$ 494,394
Receivable-Sales & Franchise Taxes	76,841	76,841
Receivable-Property Taxes	2,056	2,056
Prepaid Expenses	7,438	7,438
TOTAL CURRENT ASSETS	580,729	580,729
NONCURRENT ASSETS		
Restricted Cash	-	-
CAPITAL ASSETS		
Land-Parks	34,500	34,500
Construction in progress	733,365	733,365
Buildings & Improvements	167,372	167,372
Equipment	35,150	35,150
Public Works	315,245	315,245
Accumulated Depreciation	(322,398)	(322,398)
NET CAPITAL ASSETS	963,234	963,234
TOTAL ASSETS	1,543,963	1,543,963
LIABILITIES		
Accounts payable	14,225	14,225
Accrued Liabilities	2,869	2,869
Unearned Revenue	66,902	66,902
Customer Deposits	33,314	33,314
Total liabilities	117,310	117,310
NET POSITION		
Invested in Capital Asset, Net of Related Debt	963,234	963,234
Unrestricted	463,419	463,419
TOTAL NET POSITION	\$ 1,426,653	\$ 1,426,653

The accompanying notes are an integral part of this statement.

City of Weston
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Donations</u>	<u>Net (Expense) Revenue</u>
Governmental activities:				
General Government	\$ (92,889)	\$ 18,044	\$ 769,378	\$ 694,533
Public Health	(38,643)	-	-	(38,643)
Streets	(13,288)	-	-	(13,288)
Total governmental activities	<u>(144,820)</u>	<u>18,044</u>	<u>769,378</u>	<u>642,602</u>
			<u>General Revenue</u>	
			Property Taxes	133,842
			Sales Taxes	14,338
			Franchise Fees	14,803
			Rents	400
			Interest Income	173
			Total General Revenue	<u>163,556</u>
Change in Net Position				\$ <u>806,158</u>
Net Position - Beginning				<u>620,495</u>
Net Position - Ending				\$ <u><u>1,426,653</u></u>

The accompanying notes are an integral part of this statement.

City of Weston
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash	\$ 494,394	\$ 494,394
Receivables:		
Sales Taxes, Franchise Fees & Other	76,841	76,841
Property Taxes	2,056	2,056
Prepaid Expenses	<u>7,438</u>	<u>7,438</u>
Total assets	<u>\$ 580,729</u>	<u>\$ 580,729</u>
Liabilities:		
Accounts payable	\$ 14,225	\$ 14,225
Accrued Payroll Taxes	2,869	2,869
Unearned Revenue - property taxes	2,056	2,056
Unearned Revenue - Grants	66,902	66,902
Customer Deposits	33,314	33,314
Total liabilities	<u>119,366</u>	<u>119,366</u>
Fund balances:		
Non-Spendable - Prepaid Expenses	7,438	7,438
Unassigned	<u>453,925</u>	<u>453,925</u>
Total fund balances	<u>461,363</u>	<u>461,363</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 580,729</u>	<u>\$ 580,729</u>

The accompanying notes are an integral part of this statement.

City of Weston
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2021

Total fund balances - total governmental funds	\$ 461,363
Amounts reported for governmental activities in the statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the balance sheet	963,234
Property Taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.	2,056
Net position of governmental activities-statement of net position	\$ <u>1,426,653</u>

The accompanying notes are an integral part of this statement.

City of Weston
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General	Total Governmental Funds
Revenues:		
Property Taxes	\$ 133,703	\$ 133,703
Sales Taxes	14,338	14,338
Franchise Fees	14,803	14,803
Permits & Fees	18,044	18,044
Donations	769,378	769,378
Rents	400	400
Interest Income	173	173
Total revenues	<u>950,839</u>	<u>950,839</u>
Expenditures:		
Current:		
General Government	118,835	118,835
Public health	7,886	7,886
Streets	13,288	13,288
Capital Outlay	733,365	733,365
Total expenditures	<u>873,374</u>	<u>873,374</u>
Net change in fund balances	77,465	77,465
Fund balances - October 1 (Beginning)	<u>383,898</u>	<u>383,898</u>
Fund balances - September 30 (Ending)	<u><u>\$ 461,363</u></u>	<u><u>\$ 461,363</u></u>

The accompanying notes are an integral part of this statement.

City of Weston
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in Fund Balances - Governmental Funds	\$	77,465
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Amounts reported for governmental activities in the Statement of Activities are different because:

Government funds report capital outlay as expenditures.

However, in the statement of activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.

Capital assets recorded in the current period	769,345
Depreciation expense on capital assets	(40,791)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements:

Deferred Revenues - Property Taxes	139
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Change in net position of Governmental Activities	\$	<u>806,158</u>
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The accompanying notes are an integral part of this statement.

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -

The City of Weston operates under a Council-Mayor form of government, following the laws of a General Law City as defined by the State of Texas. The City provides the following services: ambulance, inspection, streets, and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles accepted in the United States of America (GAAP) applicable to local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the City has elected to not apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are discussed below:

A. REPORTING ENTITY

These financial statements present the City (the primary government). The City has no component units (separately administered organizations that are controlled or dependent on the City).

B. BASIC FINANCIAL STATEMENTS-GOVERNMENT-WIDE STATEMENTS_

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's ambulance, inspection, streets, and general administrative services are classified as governmental activities. The City does not provide any business-type activities.

In the government-wide Statement of Net Position, governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts- invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net costs of each of the City's Functions (general government, public health, and streets). The functions are also supported by general government revenues (property, sales and franchise taxes). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (building permits).

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

Operating grants include operating-specific and discretionary grants while capital grants reflect capital specific grants.

The net costs (by function) are normally covered by general revenue (property, sales, and franchise taxes).

The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

C: BASIC FINANCIAL STATEMENTS-FUND FINANCIAL STATEMENTS

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The City only provides Governmental Fund type activities and these activities are accounted for in the General Fund. The General Fund is the general operating fund of the City. It is used to account for all financial resources of the City.

The City does not provide any Business-type activities. The

City does not have any Fiduciary Funds.

D: MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Government-wide financial statements and fund financial statements for proprietary funds are presented using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total assets. Under the accrual basis of accounting revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

2. Governmental fund financial statements are presented using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

of the current period (typically within 60 days after year end). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized only when payment is due.

3. Revenue Recognition:

The City considers property taxes, franchise fees, sanitation revenues and grants as available if collected within 60 days after year end. Sales and hotel/motel taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental revenues are recognized when received.

4. Restricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the City first applies restricted resources.

5. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles to local governments in the United States of America requires management and those charged with governance to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6: New Accounting Principles:

The City has adopted all current GASB pronouncements that are applicable to its operations and activities. The accounting principles governing the reported amounts, financial presentations, and disclosures are subject to change from time to time based on new pronouncements and / or rules issued by various standards-setting bodies.

New pronouncements not yet in effect as of September 30, 2021, are not expected to have any significant impact on the City's financial position, results of operations, or cash flows. The City is currently studying new pronouncements and will adopt those that are applicable in the fiscal year ending September 2022, as required.

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

E. FINANCIAL STATEMENT AMOUNTS:

1. Cash and Cash Equivalents:

The City has defined cash and cash equivalents to include cash on hand and demand deposits.

2. Capital Assets:

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, or improvements and other capital outlays that significantly extend the useful lives of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Buildings	15 years
Office Equipment	3 - 5 years
Infrastructure	10-30 years

3. Deferred Outflows/Inflows of Resources:

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has only one type of item, which arises only under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable property tax revenue, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

4. Taxes:

Property tax is levied each October 1 on the assessed (appraised) value as of the prior January 1 for all real and personal property located in the City. Taxes are due October 1, the levy date, and are delinquent after the following January 31. Property taxes are recorded as receivables in the period they are levied and available. For governmental fund financial reporting, delinquent taxes estimated not to be available are treated as deferred revenues at the time the taxes are assessed.

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

5. Prepaid Expenses:

Prepaid expenses represent payments made by the City in the current year to provide services occurring in the subsequent year.

6. Compensated Absences and Retirement Plan:

The City Secretary is the only paid employee of the City. The amount, if any, of any accrued compensated absences is immaterial and is not recorded in these financial statements. The City does not provide a retirement plan for its employee.

7. Equity Classifications:

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a) Invested in capital assets, net of related debt - Consists of capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Any outstanding debt is reduced by any unspent debt proceeds at the end of the fiscal year before the reduction discussed above.
- b) Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - All other net assets that do not meet the criteria of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable (prepaid expenses), restricted (by parties outside of the government or by enabling legislation), committed (by City Council ordinance or resolution) and unassigned.

CITY OF WESTON
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

F: BUDGETS AND BUDGETARY ACCOUNTING:

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the City Secretary submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through the passage of an ordinance.
4. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.

For the fiscal year ending September 30, 2021 see Exhibit B-1 for information regarding departments that had expenditures exceeding appropriations.

CITY OF WESTON
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 2: CASH:

At September 30, 2021 the City's cash and cash equivalents were made up of the following:

Cash and cash equivalents	\$ 494,024
Petty Cash	370
Total cash and cash equivalents	\$ 494,394

Deposit and Investment Risk Disclosures:

(1) Custodial credit risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of outside parties.

On September 30, 2021, the City's bank balances (per bank) totaled \$494,394. All of the bank balances were covered by federal depository insurance or collateral pledged by the financial institution. The City was not exposed to custodial credit risk on September 30, 2021.

Securities pledged by the City's depository institution at September 30, 2021 are as follows:

<u>Security</u>	<u>PAR</u>	<u>FMV</u>
Bexar County Cert of Oblig	\$ 10,000	\$ 10,813
Federal Home Loan Bank of Topeka	401,347	437,332
	411,347	448,145

(2) Interest rate risk, credit risk, and concentration of credit risk:

The City does not have any investments and therefore is not subject to interest rate risk, credit risk or concentration of credit risk.

CITY OF WESTON
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3: CAPITAL ASSETS:

Capital assets activity for the fiscal year ended September 30, 2021, is as follows:

	<u>Balance 9/30/2020</u>	<u>Transfers</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance 9/30/2021</u>
Governmental Activities:					
Non depreciable assets					
Land	\$ 34,500	\$ -	\$ -	\$ -	\$ 34,500
Construction in progress	-	-	733,365	-	733,365
Total capital assets not being depreciated	<u>34,500</u>	<u>-</u>	<u>733,365</u>	<u>-</u>	<u>767,865</u>
Depreciable Assets:					
Buildings and Improvements	131,392	-	35,980	-	167,372
Equipment	35,150	-	-	-	35,150
Public Works	315,245	-	-	-	315,245
Total capital assets being depreciated	<u>481,787</u>	<u>-</u>	<u>35,980</u>	<u>-</u>	<u>517,767</u>
Less accumulated depreciation for:					
Buildings and Improvements	108,896	-	5,977	-	114,873
Equipment	20,579	-	4,057	-	24,636
Public Works	152,132	-	30,757	-	182,889
Total accumulated depreciation	<u>281,607</u>	<u>-</u>	<u>40,791</u>	<u>-</u>	<u>322,398</u>
Total capital assets being depreciated, net	<u>200,180</u>	<u>-</u>	<u>(4,811)</u>	<u>-</u>	<u>195,369</u>
Governmental activities capital assets, net	<u>\$ 234,680</u>	<u>\$ -</u>	<u>\$ 728,554</u>	<u>\$ -</u>	<u>\$ 963,234</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:

General Government	\$ 10,034
Public Works	30,757
Total depreciation expense - governmental activities:	<u>\$ 40,791</u>

CITY OF WESTON
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4: LONG-TERM DEBT:

The City does not currently have any long-term debt.

NOTE 5: RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Texas Municipal League Intergovernmental Risk Pool ("TMLIRP") which is a public entity insurance risk pool. Annual contributions to TML are reported in the general fund. Management believes coverage presently purchased from TMLIRP is sufficient to preclude significant uninsured losses to the City.

NOTE 6: SUBSEQUENT EVENTS:

The City has evaluated all events and transactions that occurred after April 25, 2025, through the date the financial statements were available to be issued. During this period there were no subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

City of Weston
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Resources (INFLOWS)				
Taxes:				
Property Taxes	\$ 150,000	150,000	133,703	(16,297)
Sales Taxes	11,000	11,000	14,338	3,338
Franchise Fees	20,000	20,000	14,803	(5,197)
	<u>181,000</u>	<u>181,000</u>	<u>162,844</u>	<u>(18,156)</u>
Fees and Other Charges:				
Community Center Rental	1,000	1,000	400	(600)
Other Fees	50	50	30	(20)
	<u>1,050</u>	<u>1,050</u>	<u>430</u>	<u>(620)</u>
Planning & Development:				
Platting, Zoning & Permits	10,500	10,500	18,014	7,514
Donations	-	-	769,378	769,378
Interest Income	200	200	173	(27)
Total Resources (INFLOWS)	<u>192,750</u>	<u>192,750</u>	<u>950,839</u>	<u>758,089</u>
Charges to Appropriations (OUTFLOWS)				
Personnel:				
Wages	35,000	35,000	34,425	(575)
Payroll Taxes	2,900	2,900	2,886	(14)
	<u>37,900</u>	<u>37,900</u>	<u>37,311</u>	<u>(589)</u>
Supplies and Materials:				
Office Supplies	1,200	1,200	731	(469)
Office Equipment	500	500	743	243
Building Supplies - City Hall	400	400	6	(394)
Building Supplies - Comm. Center	100	100	57	(43)
Building Materials - City Hall	100	100	272	172
Building Materials - Comm. Center	200	200	252	52
	<u>2,500</u>	<u>2,500</u>	<u>2,061</u>	<u>(439)</u>
Repair & Maintenance:				
Building Repair & Maint-City Hall	6,000	6,000	3,263	(2,737)
Building Repair & Maint-Comm. Center	46,000	46,000	4,849	(41,151)
Siren	7,150	7,150	325	(6,825)
Mowing	2,200	2,200	2,550	350
ROW Maintenance	200	200	50	(150)
Landscaping	400	400	1,062	662
ROW Tree Trimming	200	200	-	(200)
Road Maintenance	14,700	14,700	7,192	(7,508)
Street Signs	200	200	-	(200)
Clean Up Weston	200	200	-	(200)
	<u>77,250</u>	<u>77,250</u>	<u>19,290</u>	<u>(57,960)</u>

City of Weston
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Utilities:				
Electric	4,000	4,000	4,261	261
Security System (CH)	200	200	198	(2)
Water	600	600	946	346
Propane Service	100	100	218	118
Trash Service	300	300	306	6
Telephone	900	900	604	(296)
Webmail	650	650	576	(74)
Website Hosting	1,000	1,000	1,000	-
	<u>7,750</u>	<u>7,750</u>	<u>8,109</u>	<u>359</u>
Services & Charges:				
Travel	200	200	-	(200)
Dues and Memberships	1,100	1,100	853	(247)
Postage/P.O. Box Rental	250	250	243	(7)
Training & Education	1,000	1,000	349	(651)
Parade	1,500	1,500	1,725	225
Filing Fees	200	200	-	(200)
Legal Notices	400	400	384	(16)
Councilmember Stipend	900	900	1,100	200
Collin CAD Budget	900	900	895	(5)
Tax Collection Fee	350	350	323	(27)
Insurance, General Liability	2,600	2,600	2,625	25
WWTP Permit Fee	750	750	726	(24)
WWTP Title Policy	-	-	-	-
	<u>10,150</u>	<u>10,150</u>	<u>9,223</u>	<u>(927)</u>
Professional Fees:				
Legal	15,000	15,000	4,584	(10,416)
Accounting	2,500	2,500	2,500	-
Engineering	12,700	12,700	5,174	(7,526)
Ambulance	3,000	3,000	2,886	(114)
City Planning	17,000	17,000	7,815	(9,185)
Animal Control	5,000	5,000	5,000	-
Election	1,500	1,500	75	(1,425)
Code Enforcement	500	500	-	(500)
	<u>57,200</u>	<u>57,200</u>	<u>28,035</u>	<u>(29,165)</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>769,345</u>	<u>769,345</u>
Total Appropriations (OUTFLOWS)	<u>192,750</u>	<u>192,750</u>	<u>873,375</u>	<u>(88,721)</u>
Excess of resources over (under) appropriations	-	-	77,465	\$ <u><u>77,465</u></u>
Beginning Budgetary Fund Balance	<u>383,898</u>	<u>383,898</u>	<u>383,898</u>	
Ending Budgetary Fund Balance	<u>\$ 383,898</u>	<u>\$ 383,898</u>	<u>\$ 461,363</u>	

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

To the City Council
City of Weston

In planning and performing our audit of the financial statements of the governmental activities and major fund of the City of Weston as of and for the year ending September 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Weston's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness.

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

Fox, Byrd & Company, P.C.

Fox, Byrd & Company, P.C.
April 25, 2025

City of Weston
Comparative Schedule of Revenues & Expenditures - General Fund

	<u>2021</u>	<u>2020</u>	<u>2019</u>
RESOURCES (INFLOWS)			
Taxes:			
Property Taxes	133,703	126,081	137,500
Sales Taxes	14,338	13,249	8,199
Franchise Fees	14,803	15,427	15,039
	<u>162,844</u>	<u>154,757</u>	<u>160,738</u>
Fees and Other Charges:			
Community Center Rental	400	145	1,545
Other Fees	30	81	131
	<u>430</u>	<u>226</u>	<u>1,676</u>
Planning & Development:			
Platting, Zoning & Permits	<u>18,014</u>	<u>6,022</u>	<u>4,240</u>
Donations	769,378	50,000	-
Interest Income	173	159	139
TOTAL RESOURCES (INFLOWS)	<u>950,839</u>	<u>211,164</u>	<u>166,793</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Personnel:			
Wages	34,425	34,020	30,960
Payroll Taxes	2,886	2,747	2,377
	<u>37,311</u>	<u>36,767</u>	<u>33,337</u>
Supplies & Materials:			
Office Supplies	731	926	790
Office Equipment	743	352	1,568
Building Supplies - City Hall	6	129	406
Building Supplies - Comm. Center	57	40	39
Building Materials - City Hall	272	212	8
Building materials - Comm. Center	252	-	5
Covid-19	-	591	-
	<u>2,061</u>	<u>2,250</u>	<u>2,816</u>
Repair & Maintenance:			
Building Repair & Maint-City Hall	3,263	1,679	520
Building Repair & Maint-Comm. Center	4,849	1,309	1,390
Siren	325	9,382	-
Mowing	2,550	2,129	1,490
ROW Maintenance	50	250	140
Landscaping	1,062	80	118
ROW Tree Trimming	-	-	155
Road Maintenance	7,192	54,312	5,245
Street Signs	-	1,602	2,203
	<u>19,290</u>	<u>70,743</u>	<u>11,261</u>

City of Weston
Comparative Schedule of Revenues & Expenditures - General Fund

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Utilities:			
Electric	4,261	4,061	4,300
Security System	198	198	198
Water	946	583	582
Propane	218	292	954
Trash	306	288	288
Telephone	604	1,070	1,646
Webmail	576	593	581
Website Hosting	1,000	1,000	1,000
	<u>8,109</u>	<u>8,085</u>	<u>9,549</u>
Services and Charges:			
Travel	-	-	194
Dues and Memberships	853	591	591
Postage	243	402	396
Training & Education	349	646	166
Parade	1,725	1,649	-
Filing Fees	-	-	100
Legal Notices	384	202	346
Council Stipend	1,100	930	800
Appraisal District	895	860	612
Tax Collection	323	316	313
Insurance	2,625	2,584	2,506
WWTP Permit	726	726	-
	<u>9,223</u>	<u>8,906</u>	<u>6,024</u>
Professional Fees:			
Legal Services	4,584	9,041	15,252
Accounting & Auditing	2,500	2,500	2,500
Engineering	5,174	-	14,002
Ambulance	2,886	2,901	3,127
Planning	7,815	1,002	29,344
Animal Control	5,000	5,000	5,000
Election	75	1,334	2,492
Code Enforcement	-	-	220
	<u>28,035</u>	<u>21,778</u>	<u>71,937</u>
Capital Outlay:			
Building Improvements	35,980	3,867	7,800
Equipment	-	12,025	-
Streets/Drainage	-	-	1,150
WWTP	733,365	-	-
	<u>769,345</u>	<u>15,892</u>	<u>8,950</u>
TOTAL APPROPRIATIONS (OUTFLOWS)	<u>873,375</u>	<u>164,421</u>	<u>143,874</u>
EXCESS OF RESOURCES OVER UNDER APPROPRIATIONS	<u><u>77,464</u></u>	<u><u>46,743</u></u>	<u><u>22,919</u></u>