

CITY OF WESTON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED September 30, 2022

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City of Weston, Texas
List of Principal Officials
September 30, 2022

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, 2022, 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, 2022, 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

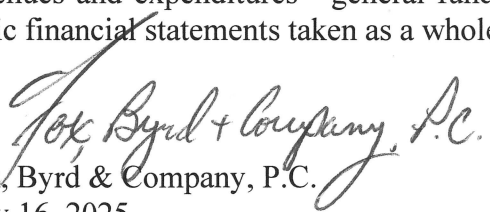
Required Supplementary Information

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.

May 16, 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, 2022. 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, 2022 by \$ 1,472,987 , an increase of \$ 46,334 from the prior year.
- The City's governmental fund balance decreased \$ 918 during the 2022 fiscal year to a total of \$ 460,445 .

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 13) 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 14) 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 19.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's net position as of September 30, 2022 and 2021 are as follows:

	NET POSITION			
	Governmental Activities		Total Primary Government	
	2022	2021	2022	2021
Current and Other Assets	\$ 1,043,439	\$ 580,729	\$ 1,043,439	\$ 580,729
Capital Assets	1,010,046	963,234	1,010,046	963,234
Total Assets	2,053,485	1,543,963	2,053,485	1,543,963
Long-Term Debt	-	-	-	-
Other Liabilities	580,498	117,310	580,498	117,310
Total liabilities	580,498	117,310	580,498	117,310
Net position:				
Net investment in capital assets	1,010,046	963,234	1,010,046	963,234
Unrestricted	462,941	463,419	462,941	463,419
Total net position	<u>\$ 1,472,987</u>	<u>\$ 1,426,653</u>	<u>\$ 1,472,987</u>	<u>\$ 1,426,653</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 \$ 989,280 at September 30, 2022 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, 2022 and 2021.

	Governmental Activities		Total Primary Government	
	2022	2021	2022	2021
Program Revenues				
Property Taxes	\$ 214,509	\$ 133,842	\$ 214,509	\$ 133,842
Sales Taxes	18,154	14,338	18,154	14,338
Franchise Fees	15,883	14,803	15,883	14,803
Permits and Fees	26,614	18,044	26,614	18,044
Donations	100,734	769,378	100,734	769,378
Rents	1,925	400	1,925	400
Interest Income	306	173	306	173
Total Revenues	<u>378,124</u>	<u>950,978</u>	<u>378,124</u>	<u>950,978</u>
Program Expenses				
General Government	\$ 263,815	\$ 92,889	\$ 263,815	\$ 92,889
Public Health	38,933	38,643	38,933	38,643
Streets	29,043	13,288	29,043	13,288
Capital Outlay	-	-	-	-
Total Expenses	<u>331,791</u>	<u>144,820</u>	<u>1,020,063</u>	<u>144,820</u>
 Increase (decrease in net position)	 46,334	 806,158	 46,334	 806,158
 Net position - October 1	 <u>1,426,653</u>	 <u>620,495</u>	 <u>1,426,653</u>	 <u>620,495</u>
 Net position - September 30	 <u>\$ 1,472,987</u>	 <u>\$ 1,426,653</u>	 <u>\$ 1,472,987</u>	 <u>\$ 1,426,653</u>

The City's property tax rate was reduced in 2022 to 29.5 cents per \$100 of valuation. Due to an increase in property values within the City, property tax revenues increased \$ 80,667 in 2022. The City's sales tax revenue increased in 2022 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:

	2022	2021
REVENUES		
Property Taxes	\$ 214,069	\$ 133,703
Sales Taxes	18,154	14,338
Franchise Fees	15,883	14,803
Permits & Fees	26,614	18,044
Donations	100,734	769,378
Rents	1,925	400
Interest Income	306	173
TOTAL REVENUES	<u>377,685</u>	<u>950,839</u>
EXPENDITURES		
General Government	258,914	118,835
Public Health	8,176	7,886
Streets	29,043	13,288
Capital Outlay	82,470	733,365
TOTAL EXPENDITURES	<u>378,603</u>	<u>873,374</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITUR	\$ <u>(918)</u>	\$ <u>77,465</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual expenditures of \$ 378,603 exceeded budgeted expenditures of \$ 218,650 primarily due to of \$ 147,046 legal and professional fees expenditures and capital outlays that were not included in the budget. This was offset by actual donation revenues in excess of budget of \$ 100,734 .

CAPITAL ASSETS

The City's investment in capital assets as of September 30, 2022 amounts to \$ 1,010,046 (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:

	Governmental Activities	Governmental Activities	
	9/30/2022	9/30/2021	Change
Land	\$ 34,500	\$ 34,500	\$ -
Construction in Progress	818,685	733,365	85,320
Building and improvements	47,941	52,499	(4,558)
Equipment	7,321	10,514	(3,193)
Public Works	101,599	132,356	(30,757)
	<u>\$ 1,010,046</u>	<u>\$ 963,234</u>	<u>\$ 46,812</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 2022 budget included budgeted revenues of \$ 248,550 and budgeted expenditures of \$ 218,650 . Budgeted revenues include property taxes of \$ 193,000 , which were based on a tax rate of 29.5 cents per \$100 of assessed value, the same tax rate as used in 2021. Budgeted revenues also include \$ 24,300 of construction permit revenues.

Budgeted 2022 expenditures include \$ 80,000 , for salaries and benefits, \$ 15,000 for legal fees, \$ 8,000 for engineering fees, \$ 15,000 for city planner fees, \$ 3,000 for ambulance services, and \$ 46,000 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, 2022

	Governmental	
ASSETS	Activities	Total
CURRENT ASSETS		
Cash	\$ 989,280	\$ 989,280
Receivable-Sales & Franchise Taxes	48,690	48,690
Receivable-Property Taxes	2,496	2,496
Prepaid Expenses	2,973	2,973
TOTAL CURRENT ASSETS	<u>1,043,439</u>	<u>1,043,439</u>
NONCURRENT ASSETS		
Restricted Cash	<u>-</u>	<u>-</u>
CAPITAL ASSETS		
Land-Parks	34,500	34,500
Construction in progress	818,685	818,685
Buildings & Improvements	169,072	169,072
Equipment	36,230	36,230
Public Works	315,245	315,245
Accumulated Depreciation	<u>(363,686)</u>	<u>(363,686)</u>
NET CAPITAL ASSETS	<u>1,010,046</u>	<u>1,010,046</u>
TOTAL ASSETS	<u>2,053,485</u>	<u>2,053,485</u>
LIABILITIES		
Accounts payable	113,712	113,712
Accrued Liabilities	5,835	5,835
Unearned Revenue	134,069	134,069
Customer Deposits	<u>326,882</u>	<u>326,882</u>
Total liabilities	<u>580,498</u>	<u>580,498</u>
NET POSITION		
Invested in Capital Asset, Net of Related Debt	1,010,046	1,010,046
Unrestricted	462,941	462,941
Total net position	<u>\$ 1,472,987</u>	<u>\$ 1,472,987</u>

The accompanying notes are an integral part of this statement.

City of Weston
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<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	\$ (263,815)	\$ 26,614	\$ 100,734	\$ (136,467)
Public Health	(38,933)	-	-	(38,933)
Streets	(29,043)	-	-	(29,043)
Capital Outlay	-	-	-	-
Total governmental activities	<u>(331,791)</u>	<u>26,614</u>	<u>100,734</u>	<u>(204,443)</u>
		General Revenue		
		Property Taxes		214,509
		Sales Taxes		18,154
		Franchise Fees		15,883
		Rents		1,925
		Interest Income		306
		Total General Revenue		<u>250,776</u>
Change in Net Position				<u>\$ 46,334</u>
Net Position - Beginning				<u>1,426,653</u>
Net Position - Ending				<u><u>\$ 1,472,987</u></u>

The accompanying notes are an integral part of this statement.

City of Weston
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>General</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash	\$ 989,280	\$ 989,280
Receivables:		
Sales Taxes, Franchise Fees & Other	48,690	48,690
Property Taxes	2,496	2,496
Prepaid Expenses	<u>2,973</u>	<u>2,973</u>
Total assets	<u>\$ 1,043,439</u>	<u>\$ 1,043,439</u>
Liabilities:		
Accounts payable	\$ 113,712	\$ 113,712
Accrued Payroll Taxes	5,835	5,835
Unearned Revenue - property taxes	2,496	2,496
Unearned Revenue - Grants	134,069	134,069
Customer Deposits	326,882	326,882
Total liabilities	<u>582,993</u>	<u>582,993</u>
Fund balances:		
Non-Spendable - Prepaid Expenses	2,973	2,973
Unassigned	<u>457,472</u>	<u>457,472</u>
Total fund balances	<u>460,445</u>	<u>460,445</u>
TOTAL LIABILITIES AND FUNDBALANCES	<u>\$ 1,043,438</u>	<u>\$ 1,043,438</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, 2022

Total fund balances - total governmental funds	\$ 460,445
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	1,010,046
Property Taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.	2,496
Net position of governmental activities-statement of net position	\$ <u>1,472,987</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, 2022

	General	Total Governmental Funds
Revenues:		
Property Taxes	\$ 214,069	\$ 214,069
Sales Taxes	18,154	18,154
Franchise Fees	15,883	15,883
Permits & Fees	26,614	26,614
Donations	100,734	100,734
Rents	1,925	1,925
Interest Income	306	306
Total revenues	<u>377,685</u>	<u>377,685</u>
Expenditures:		
Current:		
General Government	258,914	258,914
Public health	8,176	8,176
Streets	29,043	29,043
Capital Outlay	82,470	82,470
Total expenditures	<u>378,603</u>	<u>378,603</u>
Net change in fund balances	(918)	(918)
Fund balances - October 1 (Beginning)	<u>461,363</u>	<u>461,363</u>
Fund balances - September 30 (Ending)	<u><u>\$ 460,445</u></u>	<u><u>\$ 460,445</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, 2022

Net change in Fund Balances - Governmental Funds	\$ (918)
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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	88,100
Depreciation expense on capital assets	(41,288)

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	<u>439</u>
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Change in net position of Governmental Activities	\$ <u><u>46,334</u></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, 2022

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, 2022

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

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

"Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities 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, 2022, 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 2023, as required.

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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, 2022

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, 2022

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, 2022 see Exhibit B-1 for information regarding departments that had expenditures exceeding appropriations.

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 2: CASH:

At September 30, 2022 the City's cash and cash equivalents were made up of the following:

Cash and cash equivalents	\$	988,817
Petty Cash		463
Total cash and cash equivalents	\$	989,280

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, 2022, the City's bank balances (per bank) totaled \$ 989,280 . 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, 2022.

Securities pledged by the City's depository institution at September 30, 2022 are as follows:

<u>Security</u>	<u>PAR</u>	<u>FMV</u>
Bexar County Cert of Oblig/Plano TX	\$ 487,258	\$ 493,830
Federal Home Loan Bank of Topeka	551,676	620,263
	1,038,934	1,114,093

(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, 2022

NOTE 3: CAPITAL ASSETS:

Capital assets activity for the fiscal year ended September 30, 2022, is as follows:

	<u>Balance</u> <u>09/30/21</u>	<u>Transfers</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance</u> <u>09/30/22</u>
Governmental Activities:					
Non depreciable assets					
Land	\$ 34,500	\$ -	\$ -	\$ -	\$ 34,500
Construction in progress	733,365	-	85,320	-	818,685
Total capital assets not being depreciated	<u>767,865</u>	<u>-</u>	<u>85,320</u>	<u>-</u>	<u>853,185</u>
Depreciable Assets:					
Buildings and Improvements	167,372	-	1,700	-	169,072
Equipment	35,150	-	1,080	-	36,230
Public Works	315,245	-	-	-	315,245
Total capital assets being depreciated	<u>517,767</u>	<u>-</u>	<u>2,780</u>	<u>-</u>	<u>520,547</u>
Less accumulated depreciation for:					
Buildings and Improvements	114,873	-	6,258	-	121,131
Equipment	24,636	-	4,273	-	28,909
Public Works	182,889	-	30,757	-	213,646
Total accumulated depreciation	<u>322,398</u>	<u>-</u>	<u>41,288</u>	<u>-</u>	<u>363,686</u>
Total capital assets being depreciated, net	<u>195,369</u>	<u>-</u>	<u>(38,508)</u>	<u>-</u>	<u>156,861</u>
Governmental activities capital assets, net	<u>\$ 963,234</u>	<u>\$ -</u>	<u>\$ 46,812</u>	<u>\$ -</u>	<u>\$ 1,010,046</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:

General Government	\$ 10,531
Public Works	30,757
Total depreciation expense - governmental activities	<u>\$ 41,288</u>

CITY OF WESTON
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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:

Phase 1 of the Waste Water Treatment plant is complete and operational. It is currently owned by the developer, Megatel. Upon completion, the developer will transfer ownership to the City. However, the plant still has a long list of "punch items" that have not been corrected and until then, the City will not accept the plant. Items such as the Operational Services (GTUA), phones, chlorine, other supplies, utilities, and any other associated costs are paid by the City upfront and requests for reimbursement is sent to the developer every month or two.

Effective October 1, 2024, the City has control of the Weston Volunteer Fire Department I (the Fire Department) in that the City is fiscally responsible for, and has the authority to appoint the governing body of the Fire Department, effectively meeting the standards to require the Fire Department be presented as a discreetly presented component unit in financial statements of the was City from the effective date forward.

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, 2022

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Resources (INFLOWS)				
Taxes:				
Property Taxes	\$ 193,000	193,000	214,069	21,069
Sales Taxes	15,000	15,000	18,154	3,154
Franchise Fees	15,000	15,000	15,883	883
	<u>223,000</u>	<u>223,000</u>	<u>248,106</u>	<u>25,106</u>
Fees and Other Charges:				
Community Center Rental	1,000	1,000	1,925	925
Other Fees	50	50	18	(32)
	<u>1,050</u>	<u>1,050</u>	<u>1,943</u>	<u>893</u>
Planning & Development:				
Platting, Zoning & Permits	24,300	24,300	26,596	2,296
Donations	-	-	100,734	100,734
Interest Income	200	200	306	106
Total Resources (INFLOWS)	<u>248,550</u>	<u>248,550</u>	<u>377,685</u>	<u>129,135</u>
Charges to Appropriations (OUTFLOWS)				
Personnel:				
Wages	80,000	80,000	38,054	(41,946)
Payroll Taxes	7,000	7,000	3,526	(3,474)
	<u>87,000</u>	<u>87,000</u>	<u>41,580</u>	<u>(45,420)</u>
Supplies and Materials:				
Office Supplies	900	900	932	32
Office Equipment	1,700	1,700	1,861	161
Building Supplies - City Hall	50	50	58	8
Building Supplies - Comm. Center	50	50	141	91
Building Materials - City Hall	300	300	38	(262)
Building Materials - Comm. Center	300	300	314	14
	<u>3,300</u>	<u>3,300</u>	<u>3,345</u>	<u>45</u>
Repair & Maintenance:				
Building Repair & Maint-City Hall	7,000	7,000	1,184	(5,816)
Building Repair & Maint-Comm. Center	2,000	2,000	4,283	2,283
Siren	300	300	925	625
Mowing	2,600	2,600	2,882	282
ROW Maintenance	200	200	-	(200)
Landscaping	1,000	1,000	188	(812)
ROW Tree Trimming	100	100	-	(100)
Road Maintenance	46,000	46,000	26,328	(19,672)
Street Signs	100	100	3,500	3,400
Clean Up Weston	200	200	-	(200)
	<u>59,500</u>	<u>59,500</u>	<u>39,289</u>	<u>(20,211)</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, 2022

Page 2

	Original Budget	Amended Budget	Actual Amounts	Variance with Final Budget
Utilities:				
Electric	4,600	4,600	4,939	339
Security System (CH)	200	200	198	(2)
Water	600	600	802	202
Propane Service	-	-	407	407
Trash Service	300	300	322	22
Telephone	600	600	604	4
Webmail	600	600	578	(22)
Website Hosting	1,000	1,000	1,000	-
	<u>7,900</u>	<u>7,900</u>	<u>8,849</u>	<u>949</u>
Services & Charges:				
Services & Charges	-	-	2,025	2,025
Travel	200	200	302	102
Dues and Memberships	1,100	1,100	591	(509)
Postage/P.O. Box Rental	250	250	212	(38)
Training & Education	500	500	290	(210)
Parade	4,000	4,000	4,960	960
Filing Fees	200	200	-	(200)
Legal Notices	200	200	76	(124)
Councilmember Stipend	900	900	1,160	260
Collin CAD Budget	900	900	1,369	469
Tax Collection Fee	350	350	335	(15)
Insurance, General Liability	2,600	2,600	3,209	609
WWTP Permit Fee	750	750	726	(24)
WWTP Title Policy	-	-	-	-
	<u>11,950</u>	<u>11,950</u>	<u>15,255</u>	<u>3,305</u>
Professional Fees:				
Legal	15,000	15,000	147,046	132,046
Accounting	2,500	2,500	-	(2,500)
Engineering	8,000	8,000	2,715	(5,285)
Meeting Security	-	-	-	-
Ambulance	3,000	3,000	3,176	176
City Planning	15,000	15,000	-	(15,000)
Animal Control	5,000	5,000	5,000	-
Election	-	-	2,475	2,475
Code Enforcement	500	500	-	(500)
	<u>49,000</u>	<u>49,000</u>	<u>160,412</u>	<u>111,412</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>109,872</u>	<u>109,872</u>
Total Appropriations (OUTFLOWS)	<u>218,650</u>	<u>218,650</u>	<u>378,602</u>	<u>50,080</u>
Excess of resources over (under) appropriations	29,900	29,900	(917)	<u>(30,817)</u>
Beginning Budgetary Fund Balance	461,363	461,363	461,363	
Ending Budgetary Fund Balance	<u>\$ 491,263</u>	<u>\$ 491,263</u>	<u>\$ 460,446</u>	

OTHER SUPPLEMENTARY INFORMATION
(Unaudited)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
RESOURCES (INFLOWS)			
Taxes:			
Property Taxes	214,069	133,703	126,081
Sales Taxes	18,154	14,338	13,249
Franchise Fees	15,883	14,803	15,427
	<u>248,106</u>	<u>162,844</u>	<u>154,757</u>
Fees and Other Charges:			
Community Center Rental	1,925	400	145
Other Fees	18	30	81
	<u>1,943</u>	<u>430</u>	<u>226</u>
Planning & Development:			
Platting, Zoning & Permits	26,596	18,014	6,022
Donations	100,734	96,683	50,000
Interest Income	306	173	159
TOTAL RESOURCES (INFLOWS)	<u>377,685</u>	<u>278,144</u>	<u>211,164</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Personnel:			
Wages	38,617	34,425	34,020
Payroll Taxes	2,963	2,886	2,747
	<u>41,580</u>	<u>37,311</u>	<u>36,767</u>
Supplies & Materials:			
Office Supplies	932	731	926
Office Equipment	1,861	743	352
Building Supplies - City Hall	58	6	129
Building Supplies - Comm. Center	141	57	40
Building Materials - City Hall	38	272	212
Building materials - Comm. Center	314	252	-
Covid-19	-	-	591
	<u>3,345</u>	<u>2,061</u>	<u>2,250</u>
Repair & Maintenance:			
Building Repair & Maint-City Hall	1,184	6,133	1,679
Building Repair & Maint-Comm. Center	4,283	38,124	1,309
Siren	925	325	9,382
Mowing	2,882	2,550	2,129
ROW Maintenance	-	50	250
Landscaping	188	1,062	80
ROW Tree Trimming	-	-	-
Road Maintenance	26,328	15,428	54,312
Street Signs	3,500	-	1,602
	<u>39,289</u>	<u>63,671</u>	<u>70,743</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Utilities:			
Electric	4,939	4,261	4,061
Security System	198	198	198
Water	802	946	583
Propane	407	218	292
Trash	322	306	288
Telephone	604	440	1,070
Webmail	578	576	593
Website Hosting	1,000	1,000	1,000
	<u>8,850</u>	<u>7,945</u>	<u>8,085</u>
 Services and Charges:			
Travel	302	-	-
Dues and Memberships	591	853	591
Postage	212	243	402
Training & Education	290	349	646
Parade	4,960	1,725	1,649
Filing Fees	1	-	-
Legal Notices	76	384	202
Council Stipend	1,160	1,100	930
Appraisal District	1,369	895	860
Tax Collection	335	323	316
Insurance	3,209	2,625	2,584
WWTP Permit	726	726	726
	<u>13,230</u>	<u>9,223</u>	<u>8,906</u>
 Professional Fees:			
Legal Services	147,046	8,090	9,041
Accounting & Auditing	-	2,500	2,500
Engineering	2,715	7,097	-
Ambulance	3,176	2,886	2,901
Planning	24,495	9,810	1,002
Animal Control	5,000	5,000	5,000
Election	2,475	225	1,334
Weston Volunteer FD	2,025	-	-
	<u>186,932</u>	<u>35,608</u>	<u>21,778</u>
 Capital Outlay:			
Building Improvements	1,700	37,367	3,867
Equipment	1,080	-	12,025
Streets/Drainage	-	-	-
WWTP	82,598	62,451	-
	<u>85,378</u>	<u>99,818</u>	<u>15,892</u>
 TOTAL APPROPRIATIONS (OUTFLOWS)	<u>378,603</u>	<u>255,637</u>	<u>164,421</u>
 EXCESS OF RESOURCES OVER (UNDER) APPROPRIATIONS	<u>(918)</u>	<u>22,508</u>	<u>46,743</u>