

CITY OF WESTON
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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WILLIAM C SPORE, P.C.
Certified Public Accountants
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Keller, TX 76248
817-421-6619

Independent Auditor's Report

DRAFT

To the City Council
City of Weston, Texas

I 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, 2016, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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, 2016, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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

My audit was conducted for the purpose of forming opinions on the financial statements the collectively comprise the City of Weston's basic financial statements. The schedule of comparative revenues and expenditures - general fund and the schedule of property taxes are presented for additional analysis and are not a part of the basic financial statements.

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

William C. Spore, P.C.

Keller, Texas

Certified Public Accountants

December 13, 2016

CITY OF WESTON

CITY OFFICIALS

September 30, 2016

MAYOR

Patti Harrington

MAYOR PRO TEM

Carol Decker

COUNCILMEN

Kevin Deal

Randall Hales

Tralyn Molinar

John Tingle

SECRETARY

Susan Coffey

CITY ATTORNEY

Taylor, Olsen, Adkins, Stralla & Elam

CITY OF WESTON
GOVERNMENT-WIDE
STATEMENT OF NET POSITION

September 30, 2016

GOVERNMENTAL
ACTIVITIES

ASSETS

CURRENT ASSETS

Cash	\$ 221,782
Restricted Cash	1,540
Receivables:	
Sales & Franchise Taxes	4,518
Property Taxes	1,183
Prepaid Expenses	450

Capital Assets:

Land - Parks	34,500
Buildings	79,973
Equipment	30,374
Public Works	315,245
Accumulated Depreciation	(138,491)
Net Capital Assets	<u>321,601</u>

TOTAL ASSETS

551,074

LIABILITIES

Accounts Payable	3,705
Accrued Expenses	1,125
Developer Advances Payable	1,528

TOTAL CURRENT LIABILITIES

6,358

TOTAL LIABILITIES

6,358

NET POSITION

Invested in Capital Asset, Net of Related Debt	321,601
Unrestricted	223,115

TOTAL NET POSITION

\$ 544,716

CITY OF WESTON

GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	CAPITAL DONATIONS	NET GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:				
General Government	\$ (78,091)	\$ 2,616	\$ 0	\$ (75,475)
Public Health	(4,500)	0	0	(4,500)
Streets	(19,498)	0	0	(19,498)
Interest on Long-Term Debt	0	0	0	0
TOTAL GOVERNMENTAL ACTIVITIES	\$ (102,089)	\$ 2,616	\$ 0	(99,473)
GENERAL REVENUE				
Property Taxes				68,716
Sales Taxes				7,574
Franchise Fees				10,479
Interest Income				210
TOTAL GENERAL REVENUE				86,979
CHANGE IN NET POSITION				(12,494)
NET POSITION - BEGINNING				557,210
NET POSITION - ENDING				\$ 544,716

CITY OF WESTON

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2016

ASSETS	GENERAL FUND
Cash	\$ 221,782
Restricted Cash - Developer Advances	1,540
Receivable - Sales & Franchise Taxes	4,518
Receivable - Property Taxes	1,183
Prepaid Expenses	450
TOTAL ASSETS	\$ <u>229,473</u>
 LIABILITIES	
Accounts Payable	\$ 3,705
Accrued Payroll Taxes	1,125
Developer Advances Payable	1,528
TOTAL LIABILITIES	<u>6,358</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>1,183</u>
 FUND BALANCE	
Non-Spendable - Prepaid Expenses	450
Unassigned, Reported In General Fund	221,482
TOTAL FUND BALANCE	<u>221,932</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCE	\$ <u><u>229,473</u></u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**

Fund Balance Above	\$ 221,932
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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 Fund Balance Sheet	321,601
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Receivables that are not available to pay for current
period expenditures are not considered current
revenues in the fund statements:

Property Taxes	1,183
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u><u>544,716</u></u>
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CITY OF WESTON

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2016

REVENUES	GENERAL FUND
Property Taxes	\$ 68,280
Sales Taxes	7,574
Franchise Fees	10,479
Permits & Fees	2,616
Interest Income	210
TOTAL REVENUES	<u>89,159</u>
EXPENDITURES	
General Government	73,202
Public Health	4,500
Streets	322
Capital Outlay	117,040
TOTAL EXPENDITURES	<u>195,064</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(105,905)
FUND BALANCE - BEGINNING	327,837
FUND BALANCE - ENDING	\$ <u><u>221,932</u></u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
STATEMENTS OF ACTIVITIES**

Net Change in Fund Balance - Governmental Funds	\$	(105,905)
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Governmental funds report capital outlay as expenditures. However in the statement of activities the cost of these assets is allocated over the estimated useful lives as depreciation expense:

Depreciation expense on capital assets	(24,065)
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Deferred Revenues - Property Taxes	436
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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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 safety, 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, 2016

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 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 related 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 expensed 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, 2016

“Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (typical 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 principle 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 Town 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. The GASB has issued the following new statements that are potentially applicable to the Town of Copper Canyon.

- Statement No. 76, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement will not affect the Town.
- Statement No. 77, *Tax Abatement Disclosures*. This statement will not affect the Town.
- Statement No. 78, *Pension Provided Through Certain Multi-Employer Defined Benefit Pension Plan*. This statement will not affect the Town.
- Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement will not affect the Town.
- Statement No. 80, *Blending Requirements for Certain Component Units*. This statement will not affect the Town.

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

New pronouncements not yet in effect as of September 30, 2016, are not expected to have any significant impact on the Town's financial position, results of operations, or cash flows. The Town is currently studying these new pronouncements and will adopt them in the fiscal year ending September 2017, as required.

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 additions 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 Town does not currently have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometime 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.

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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.

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 (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 nonspendable (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, 2016

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, 2016 the following departments had expenditures exceeding appropriations:

<u>Department</u>	<u>Amount over Budget</u>
General Government	\$3,616

NOTE 2: CASH:

At September 30, 2016 the City's cash and cash equivalents were made up of the following:

Petty Cash	\$ 1,219
Held at a local bank	222,103
	<u>\$ 223,322</u>

CITY OF WESTON

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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.

At September 30, 2016 the City's bank balances (per bank) totaled \$333,849. Of the bank balances, \$250,000 was covered by federal depository insurance and the remaining \$83,849 was secured by collateral held by the pledging Bank's agent in the name of the City. The City was not exposed to custodial credit risk at September 30, 2016.

Securities pledged by the City's depository institution at September 30, 2016 are as follows:

SECURITY	PAR	FMV
Bexar County Cert of Oblig	\$ <u>200,000</u>	\$ <u>242,300</u>

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

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

NOTE 3: RESTRICTED CASH:

At September 30, 2016 the City has restricted cash as follows:

Developer Advances

In September 2009 Land Advisors, LTD., a local developer, advanced the City \$10,000 to be used solely for future development costs. At September 30, 2016 the City held \$1,540 of restricted development funds which are held in a separately maintained developer escrow bank account. There were no disbursements from the account during the fiscal year. As these remaining funds are expended the developer will be required to deposit additional funds in to the developer escrow account.

CITY OF WESTON
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 4: CAPITAL ASSETS:

Capital assets activity for the fiscal year ended September 30, 2016 is as follows:

CAPITAL ASSETS:	BEGINNING	ADDITIONS	DISPOSALS	ENDING
Land-Parks	\$ 34,500	\$ 0	\$ 0	\$ 34,500
Building & Improvements	78,748	1,225	0	79,973
Equipment	30,374	0	0	30,374
Infrastructure	<u>199,430</u>	<u>115,815</u>	<u>0</u>	<u>315,245</u>
TOTAL	<u>\$ 343,052</u>	<u>117,040</u>	<u>0</u>	<u>460,092</u>
LESS ACCUMULATED DEPRECIATION:				
Building & Improvements	\$ 62,598	2,985	0	65,583
Office Equipment	11,144	1,904	0	13,048
Infrastructure	<u>40,684</u>	<u>19,176</u>	<u>0</u>	<u>59,860</u>
TOTAL ACCUM. DEPRECIATION	<u>114,426</u>	<u>24,065</u>	<u>0</u>	<u>138,491</u>
CAPITAL ASSETS, NET	<u>\$ 228,626</u>	<u>\$ 92,975</u>	<u>\$ 0</u>	<u>\$ 321,601</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 4,889
Public Works	<u>19,176</u>
Total Depreciation Expense	<u>\$ 24,065</u>

NOTE 5: LONG-TERM DEBT:

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

NOTE 6: 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WESTON

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2016

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
RESOURCES (INFLOWS)				
Property Taxes	\$ 60,258	\$ 60,258	68,280	\$ 8,022
Sales Taxes	7,800	7,800	7,574	(226)
Franchise Fees	14,000	14,000	10,479	(3,521)
Permits & Fees	565	565	2,616	2,051
Interest Income	75	75	210	135
TOTAL RESOURCES (INFLOWS)	82,698	82,698	89,159	6,461
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government:				
Public Notices & Filing Fees	911	911	579	332
Dues & Subscriptions	536	536	550	(14)
Insurance	1,400	1,400	1,370	30
Accounting Services	2,500	2,500	2,500	0
Legal Services	2,000	2,000	2,725	(725)
Engineering Services	2,500	2,500	500	2,000
Tax Appraisal & Collection Costs	277	277	246	31
Repair & Maintenance	3,680	15,455	20,932	(5,477)
Supplies	1,828	1,828	2,507	(679)
Telephone, Utilities & Website	9,551	9,551	9,434	117
Travel & Training	200	200	40	160
Payroll Taxes	2,332	2,332	2,455	(123)
Wages	30,096	30,096	29,364	732
Total General Government	57,811	69,586	73,202	(3,616)
Public Health:				
EMS Services	4,500	4,500	4,500	0
Total Public Health	4,500	4,500	4,500	0
Streets:				
Street Repairs & Signs	0	2,200	322	1,878
Capital Additions:				
Building Improvements	0	0	1,225	(1,225)
Road Improvements	0	122,800	115,815	6,985
Total Capital Additions	0	122,800	117,040	5,760
TOTAL APPROPRIATIONS (OUTFLOWS)	62,311	199,086	195,064	4,022
EXCESS OF RESOURCES OVER (UNDER) APPROPRIATIONS	20,387	(116,388)	(105,905)	10,483
Beginning Budgetary Fund Balance	327,837	327,837	327,837	0
Ending Budgetary Fund Balance	<u>\$ 348,224</u>	<u>\$ 211,449</u>	<u>221,932</u>	<u>\$ 10,483</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF WESTON

COMPARATIVE SCHEDULE OF REVENUES & EXPENDITURES - GENERAL FUND

For the Year Ended September 30, 2016, 2015 & 2014

	Year Ending September 30,		
	2016	2015	2014
REVENUES			
Property Taxes	\$ 68,280	\$ 55,131	\$ 51,021
Sales Taxes	7,574	9,376	6,602
Franchise Fees	10,479	12,233	14,676
Permits & Fees	2,616	2,368	1,615
Interest Income	210	90	194
Developer Donations/Reimbursements	0	34,500	41
TOTAL REVENUES	89,159	113,698	74,149
EXPENDITURES			
General Government:			
Advertising & Public Notices	579	558	685
Dues & Subscriptions	550	536	460
Election Costs	0	0	0
Insurance	1,370	1,394	1,402
Accounting Services	2,500	2,500	2,500
Legal Services	2,725	2,768	4,416
Engineering Services	500	0	500
Tax Appraisal & Collection Costs	246	597	576
Repair & Maintenance	20,932	5,150	3,105
Supplies	2,507	2,978	3,731
Telephone, Utilities & Website	9,434	10,557	8,202
Travel & Training	40	136	0
Payroll Taxes	2,455	2,068	2,177
City Secretary-Wages	29,364	26,910	26,480
Total General Government	73,202	56,152	54,234
Development Expenses			
Public Health:			
Code Enforcement & Inspection Services	0	0	50
Ambulance Services	4,500	5,284	5,461
Total Public Health	4,500	5,284	5,511
Streets:			
Street Repairs, Improvements & Signs	322	3,897	645
Capital Additions:			
Building/Office Equipment/Public Works	117,040	39,250	146,116
Debt Service:			
Collin County Loan Payments	0	67,422	26,658
TOTAL EXPENDITURES	195,064	172,005	233,164
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (105,905)	\$ (58,307)	(159,015)

CITY OF WESTON
SCHEDULE OF PROPERTY TAXES
September 30, 2016

Property Tax Year	2015	2014	2013	2012
Assessed Value	\$ 18,899,217	\$ 15,018,414	\$ 14,075,961	\$ 13,865,183
Tax Rate per \$100 of Assessed Value	0.360000	0.360000	0.360000	0.300000
Total Tax Levy	\$ 68,037	\$ 54,066	\$ 50,673	\$ 41,596
Collections During Fiscal Year	\$ 67,484	\$ 53,762	\$ 50,145	\$ 41,097
% of Current Taxes Collected	99.19%	99.44%	98.96%	98.80%

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent on February 1 of the following year.

WILLIAM C. SPORE, P.C.
Certified Public Accountants
200 N. Rufe Snow Dr., Ste 16
Keller, TX 76248
817-421-6619

December 13, 2016

To the Mayor & City Council
City of Weston

I have audited the financial statements of the governmental activities and the major funds of the City of Weston for the year ended September 30, 2016, and have issued my report thereon dated December 8, 2016. Professional standards require that I provide you with the following information about my responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated September 6, 2016. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Weston are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. I noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

Management's estimate of depreciation expense is based on the estimated useful lives of the related assets. I evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated December 6, 2016.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Very truly yours,

William C. Spore

Certified Public Accountant

WILLIAM C. SPORE, P.C.
Certified Public Accountants
200 N. Rufe Snow Dr., Ste 116
Keller, TX 76248
817-421-6619

To the City Council
City of Weston

In planning and performing my 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, 2016, in accordance with auditing standards generally accepted in the United States of America, I considered the City of Weston' internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my 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, I 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 materiel 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.

My 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. I did not identify any deficiencies in internal control over financial reporting that I 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.

William C. Spore, PC
Certified Public Accountants
December 13, 2016