



GMS

CERTIFIED PUBLIC
ACCOUNTANTS

GEORGE | MORGAN | SNEED

June 10, 2016

Honorable Mayor and City Council Members
City of Willow Park

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Willow Park, Texas for the year ended September 30, 2015, and have issued our report thereon dated June 10, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 1, 2015. Professional standards also require that we communicate to you the following information related to our 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 the City of Willow Park, Texas are described in Note 1 to the financial statements. As described in note 14 to the financial statements, the City changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* in 2015. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates 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.

George, Morgan & Sneed, P.C.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely audit adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such audit adjustments. Attached is a list of audit adjustments detected as a result of audit procedures that were corrected by management.

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 our satisfaction that could be significant to the City's financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 10, 2016.

Management Consultation 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, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, and the Schedule of Changes and Net Pension Liability and Related Ratios and Schedule of Employer Contributions and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combing Nonmajor Governmental Fund Statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Should you desire further information concerning these matters, Mr. Peter Morgan will be happy to meet with you at your convenience.

Restriction of Use

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

Very truly yours,

George, Morgan & Sneed, P.C.

GEORGE, MORGAN & SNEED, P.C.

CITY OF WILLOW PARK, TEXAS

ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
September 30, 2015**

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
Class01	To balance the classes.	90-2145 · Accounts Payable	. WATER CASH RESERVE		865.90	Other Current Liability
	To balance the classes.	80-1135 · Certificates of Deposit	Certificates of Deposit		519,182.46	Bank
	To balance the classes.	32000 · Unrestricted Net Assets	COB Escrow	21,005.12		Equity
	To balance the classes.	80-1105 · General Fund	Court Security	2,361.60		Bank
	To balance the classes.	80-1133 · Court Security Fund	Court Security	2,285.40		Bank
	To balance the classes.	32000 · Unrestricted Net Assets	Court Security		15.00	Equity
	To balance the classes.	80-1105 · General Fund	Court Technology		2,221.95	Bank
	To balance the classes.	32000 · Unrestricted Net Assets	Court Technology		16.00	Equity
	To balance the classes.	80-1105 · General Fund	Debt Service		32.00	Bank
	To balance the classes.	90-2145 · Accounts Payable	General Fund:Fire Department		10.61	Other Current Liability
	To balance the classes.	32000 · Unrestricted Net Assets	General Fund:Fire Department	10.61		Equity
	To balance the classes.	80-1105 · General Fund	General Fund		46,828.12	Bank
	To balance the classes.	80-1106 · GF Capital Improvements	General Fund		394,946.44	Bank
	To balance the classes.	80-1134 · Court Technology Fund	General Fund		1,613.13	Bank
	To balance the classes.	80-1145 · Debt Service	General Fund		55,325.00	Bank
	To balance the classes.	110001 · Accounts Receivable - Water	General Fund		1,292.06	Other Current Asset
	To balance the classes.	90-2145 · Accounts Payable	General Fund	6,260.62		Other Current Liability
	To balance the classes.	24000 · Payroll Liabilities	General Fund	121.74		Other Current Liability
	To balance the classes.	90-2100 · Federal Withholding	General Fund		64,235.52	Other Current Liability
	To balance the classes.	90-2104 · Social security	General Fund		337.90	Other Current Liability
	To balance the classes.	90-2105 · FICA Payable	General Fund		17,117.49	Other Current Liability
	To balance the classes.	90-2107 · TEC Payable	General Fund		4,925.32	Other Current Liability
	To balance the classes.	90-2115 · Retirement - Payable	General Fund		60,418.16	Other Current Liability
	To balance the classes.	90-2140 · Employee Insurance	General Fund		2,458.64	Other Current Liability
	To balance the classes.	90-2145 · Accounts Payable	General Fund	2,849.16		Other Current Liability
	To balance the classes.	32000 · Unrestricted Net Assets	General Fund	376,307.04		Equity
	To balance the classes.	90-2111 · Accrued Payroll	General Fund		4,771.42	Other Current Liability
	To balance the classes.	80-1105 · General Fund	Multiple		210,306.01	Bank
	To balance the classes.	80-1106 · GF Capital Improvements	Multiple	30,294.95		Bank
	To balance the classes.	80-1134 · Court Technology Fund	Multiple	3,903.08		Bank
	To balance the classes.	80-1145 · Debt Service	Multiple	820,801.47		Bank
	To balance the classes.	110001 · Accounts Receivable - Water	Multiple	61,503.57		Other Current Asset
	To balance the classes.	80-1170 · Unbilled Receivables	Multiple		8,633.85	Other Current Asset
	To balance the classes.	80-1180 · Uncollectables	Multiple	14,846.53		Other Current Asset
	To balance the classes.	24000 · Payroll Liabilities	Multiple		149.36	Other Current Liability
	To balance the classes.	90-2100 · Federal Withholding	Multiple		96,184.18	Other Current Liability
	To balance the classes.	90-2104 · Social security	Multiple		1,194.38	Other Current Liability
	To balance the classes.	90-2105 · FICA Payable	Multiple		24,628.89	Other Current Liability
	To balance the classes.	90-2107 · TEC Payable	Multiple		6,851.88	Other Current Liability
	To balance the classes.	90-2110 · Child Support	Multiple		20,024.88	Other Current Liability
	To balance the classes.	90-2115 · Retirement - Payable	Multiple	84,460.50		Other Current Liability

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To balance the classes.	90-2140 · Employee Insurance	Multiple	6,092.30		Other Current Liability
	To balance the classes.	90-2145 · Accounts Payable	Multiple		317,090.72	Other Current Liability
	To balance the classes.	90-2145 · Accounts Payable	Multiple		1,484,573.90	Other Current Liability
	To balance the classes.	80-1105 · General Fund	Solid Waste		4,499.49	Bank
	To balance the classes.	80-1141 · Solid Waste	Solid Waste	22,640.30		Bank
	To balance the classes.	110001 · Accounts Receivable - Water	Solid Waste		11,094.11	Other Current Asset
	To balance the classes.	80-1170 · Unbilled Receivables	Solid Waste	745.42		Other Current Asset
	To balance the classes.	80-1180 · Uncollectables	Solid Waste		769.32	Other Current Asset
	To balance the classes.	32000 · Unrestricted Net Assets	Solid Waste	16,362.92		Equity
	To balance the classes.	80-1116 · Texstar - Deer Creek	TexStar - GF Capital Improvemen	97,856.00		Bank
	To balance the classes.	80-1148 · TexStar - GF Capital Improvemen	TexStar - GF Capital Improvemen	543,357.13		Bank
	To balance the classes.	32000 · Unrestricted Net Assets	TexStar Deer Creek	6.03		Equity
	To balance the classes.	32000 · Unrestricted Net Assets	TexStar Dyegard	9.17		Equity
	To balance the classes.	80-1147 · TexStar Water Capital Improveme	TexStar Water Capital Improveme	322,759.46		Bank
	To balance the classes.	80-1114 · Texstar	TexStar - GF Capital Improvemen		120,217.08	Bank
	To balance the classes.	80-1106 · GF Capital Improvements	Tourism		5,000.00	Bank
	To balance the classes.	32000 · Unrestricted Net Assets	Tourism	5,000.00		Equity
	To balance the classes.	80-1105 · General Fund	Tourism	524,343.03		Bank
	To balance the classes.	80-1114 · Texstar	Tourism	120,217.08		Bank
	To balance the classes.	80-1116 · Texstar - Deer Creek	Tourism	271,796.39		Bank
	To balance the classes.	80-1146 · TexStar - GF Capital Improvemen	Tourism		543,357.10	Bank
	To balance the classes.	80-1147 · TexStar Water Capital Improveme	Tourism		322,759.46	Bank
	To balance the classes.	80-1133 · Court Security Fund	Tourism		2,295.40	Bank
	To balance the classes.	80-1134 · Court Technology Fund	Tourism		2,289.95	Bank
	To balance the classes.	80-1135 · Certificates of Deposit	Tourism			Bank
	To balance the classes.	80-1141 · Solid Waste	Tourism	519,182.46		Bank
	To balance the classes.	80-1145 · Debt Service	Tourism		22,640.25	Bank
	To balance the classes.	90-2145 · Accounts Payable	Waste Water Fund	2,838.21		Other Current Liability
	To balance the classes.	80-1105 · General Fund	Waste Water Fund	9,064.77		Bank
	To balance the classes.	110001 · Accounts Receivable - Water	Waste Water Fund		38,891.00	Other Current Asset
	To balance the classes.	80-1170 · Unbilled Receivables	Waste Water Fund			Other Current Asset
	To balance the classes.	80-1180 · Uncollectables	Waste Water Fund		826.51	Other Current Asset
	To balance the classes.	90-2145 · Accounts Payable	Waste Water Fund		1,233.00	Other Current Liability
	To balance the classes.	90-2051 · Lawsuit Settlement Payable	Waste Water Fund		220,000.00	Other Current Liability
	To balance the classes.	90-2111 · Accrued Payroll	Waste Water Fund		971.31	Other Current Liability
	To balance the classes.	90-2050 · Accrued Loss on Enmtl Liability	Waste Water Fund		1,233.00	Other Current Liability
	To balance the classes.	24000 · Payroll Liabilities	Waste Water Fund	9.21		Other Current Liability
	To balance the classes.	90-2100 · Federal Withholding	Waste Water Fund		6,886.76	Other Current Liability
	To balance the classes.	90-2105 · FICA Payable	Waste Water Fund		1,485.24	Other Current Liability
	To balance the classes.	90-2107 · TEC Payable	Waste Water Fund		344.72	Other Current Liability
	To balance the classes.	90-2115 · Retirement - Payable	Waste Water Fund		5,375.94	Other Current Liability
	To balance the classes.	90-2140 · Employee Insurance	Waste Water Fund		1,695.09	Other Current Liability

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

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	To balance the classes.	90-2150 · Due to General Fund	Waste Water Fund	1,233.00		Other Current Liability
	To balance the classes.	32000 · Unrestricted Net Assets	Waste Water Fund	279,965.54		Equity
	To balance the classes.	90-2145 · Accounts Payable	Water Fund	311,603.35		Other Current Liability
	To balance the classes.	80-1105 · General Fund	Water Fund		267,158.64	Bank
	To balance the classes.	80-1145 · Debt Service	Water Fund		35,326.47	Bank
	To balance the classes.	110001 · Accounts Receivable - Water	Water Fund		10,228.40	Other Current Asset
	To balance the classes.	80-1170 · Unbilled Receivables	Water Fund	7,191.38		Other Current Asset
	To balance the classes.	80-1180 · Uncollectables	Water Fund		13,250.70	Other Current Asset
	To balance the classes.	90-2145 · Accounts Payable	Water Fund	2,098.90		Other Current Liability
	To balance the classes.	90-2111 · Accrued Payroll	Water Fund		1,353.97	Other Current Liability
	To balance the classes.	24000 · Payroll Liabilities	Water Fund	18.41		Other Current Liability
	To balance the classes.	90-2100 · Federal Withholding	Water Fund		25,061.90	Other Current Liability
	To balance the classes.	90-2104 · Social security	Water Fund		856.48	Other Current Liability
	To balance the classes.	90-2105 · FICA Payable	Water Fund		6,026.16	Other Current Liability
	To balance the classes.	90-2107 · TEC Payable	Water Fund		1,581.84	Other Current Liability
	To balance the classes.	90-2110 · Child Support	Water Fund		12,928.18	Other Current Liability
	To balance the classes.	90-2115 · Retirement - Payable	Water Fund		18,666.40	Other Current Liability
	To balance the classes.	90-2134 · C.J.F - Civil Justice Fund	Water Fund		507.54	Other Current Liability
	To balance the classes.	90-2137 · UTGCD Fee	Water Fund	507.54		Other Current Liability
	To balance the classes.	90-2140 · Employee Insurance	Water Fund		1,938.57	Other Current Liability
	To balance the classes.	32000 · Unrestricted Net Assets	Water Fund	289,860.39		Other Current Liability
	To balance the classes.	32000 · Unrestricted Net Assets	Water Fund	709,827.10		Equity
			Water Improvement Fund	5,638,626.54	5,638,626.54	Equity
Class02	To clean up closing of accounts.	80-1160 · COB Escrow	Water Fund		1,919.97	Bank
	To clean up closing of accounts.	80-1160 · COB Escrow	Water Fund	1,919.97		Bank
	To clean up closing of accounts.	80-1161 · 2003 Series Bond Fund	Water Fund	1,086.63		Bank
	To clean up closing of accounts.	80-1161 · 2003 Series Bond Fund	Water Fund		1,086.63	Bank
	To clean up closing of accounts.	80-1162 · 2003 Tax & Revenue Cert of Obli	Water Fund	833.34		Bank
	To clean up closing of accounts.	80-1162 · 2003 Tax & Revenue Cert of Obli	Water Fund		833.34	Bank
				3,839.94	3,839.94	
Class03	To adjust for debt service of water fund.	80-1145 · Debt Service	Debt Service	363,038.00		Bank
	To adjust for debt service of water fund.	80-1105 · General Fund	Debt Service	17,825.00		Bank
	To adjust for debt service of water fund.	70-8735 · 2010 Refunding	Debt Service		264,025.00	Expense
	To adjust for debt service of water fund.	70-8736 · 2012 Refunding	Debt Service		106,050.00	Expense
	To adjust for debt service of water fund.	70-8746 · 2014 TWDB COB	Debt Service		10,788.00	Expense
	To adjust for debt service of water fund.	80-1145 · Debt Service	Debt Service	339,818.00		Bank
	To adjust for debt service of water fund.	80-1105 · General Fund	Debt Service	23,219.00		Bank
	To adjust for debt service of water fund.	80-1160 · COB Escrow	Debt Service		363,038.00	Bank
	To adjust for debt service of water fund.	80-1105 · General Fund	Debt Service		357,644.00	Bank

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
Class04	To adjust for debt service of water fund.	70-8735 · 2010 Refunding	Water Fund	264,025.00		Expense
	To adjust for debt service of water fund.	70-8736 · 2012 Refunding	Water Fund	106,050.00		Expense
	To adjust for debt service of water fund.	70-8746 · 2014 TWDB COB	Water Fund	10,788.00		Expense
	To adjust for debt service of water fund.	80-1160 · COB Escrow	Water Fund	1,124,764.00	23,219.00	Bank
				1,124,764.00	1,124,764.00	
Class04	To correct transfer of I&S taxes.	80-1145 · Debt Service			497,916.48	Bank
	To correct transfer of I&S taxes.	80-1145 · Debt Service	Debt Service	497,916.48		Bank
	To correct transfer of I&S taxes.	80-1105 · General Fund			497,916.48	Bank
	To correct transfer of I&S taxes.	80-1105 · General Fund	Debt Service	497,916.48		Bank
			995,832.96	995,832.96		
Class05	To reclassify transfers.	80-1105 · General Fund	Water Fund	74,419.40		Bank
	To reclassify transfers.	80-1105 · General Fund			74,419.40	Bank
	To reclassify transfers.	80-1150 · Water Improvements			74,419.40	Bank
	To reclassify transfers.	80-1150 · Water Improvements	Water Fund	74,419.40		Bank
			148,838.80	148,838.80		
Class06	To adjust for solid waste revenue.	80-1141 · Solid Waste			61,742.28	Bank
	To adjust for solid waste revenue.	80-1141 · Solid Waste	Solid Waste	61,742.28		Bank
	To adjust for solid waste revenue.	80-1105 · General Fund			61,742.20	Bank
	To adjust for solid waste revenue.	80-1105 · General Fund	Solid Waste	61,742.20		Bank
			123,484.48	123,484.48		
Class07	To correct transfers.	80-1142 · Abatement Fund	Abatement Fund	14.00		Bank
	To correct transfers.	70-8705 · Interfund Transfer	Abatement Fund		14.00	Expense
	To correct transfers.	80-1137 · Emergency Disaster Reserve	Emergency Disaster Reserve	14.00		Bank
	To correct transfers.	70-8705 · Interfund Transfer	Emergency Disaster Reserve		14.00	Expense
	To correct transfers.	80-1151 · EPA Super Fund	EPA Super Fund	14.00		Bank
	To correct transfers.	70-8705 · Interfund Transfer	EPA Super Fund		14.00	Expense
	To correct transfers.	80-1105 · General Fund	General Fund		28.00	Bank
	To correct transfers.	70-8705 · Interfund Transfer	General Fund	28.00		Expense
	To correct transfers.	80-1137 · Emergency Disaster Reserve			14.00	Bank
	To correct transfers.	80-1142 · Abatement Fund			14.00	Bank
	To correct transfers.	80-1151 · EPA Super Fund			14.00	Bank
	To correct transfers.	80-1105 · General Fund			14.00	Bank
			42.00	42.00		
Class08	Partial closing of CD and funding of flex account and 80-1164 · FLEX Participation Account		FLEX PARTICIPATION ACCOUNT	43,730.41		Bank
				126.00	126.00	Expense

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	Partial closing of CD and funding of flex account and 70-8705 · Interfund Transfer		FLEX PARTICIPATION ACCOUNT		43,730.41	Expense
	Partial closing of CD and funding of flex account and 80-1135 · Certificates of Deposit		General Fund		57,256.41	Bank
	Partial closing of CD and funding of flex account and 70-8705 · Interfund Transfer		General Fund	57,256.41		Expense
	Partial closing of CD and funding of flex account and 80-1179 · TexStar Capital/Equip Replaceme		TexStar Capital Equipment/Repla	13,526.00		Bank
	Partial closing of CD and funding of flex account and 70-8705 · Interfund Transfer		TexStar Capital Equipment/Repla		13,526.00	Expense
	Partial closing of CD and funding of flex account and 80-1135 · Certificates of Deposit			57,256.41		Bank
	Partial closing of CD and funding of flex account and 80-1164 · FLEX Participation Account			43,730.41		Bank
	Partial closing of CD and funding of flex account and 80-1179 · TexStar Capital/Equip Replaceme			13,526.00		Bank
				<u>171,769.23</u>	<u>171,769.23</u>	
Class09	To close CDs 638, 632, 636 and 634	80-1147 · TexStar Water Capital Improve		467,400.84	467,400.84	Bank
	To close CDs 638, 632, 636 and 634	80-1147 · TexStar Water Capital Improve	Water Fund	467,400.84		Bank
	To close CDs 638, 632, 636 and 634	80-1135 · Certificates of Deposit		467,400.84		Bank
	To close CDs 638, 632, 636 and 634	80-1135 · Certificates of Deposit	Water Fund		467,400.84	Bank
				<u>934,801.68</u>	<u>934,801.68</u>	
Class10	To correct transfers of court fees.	80-1133 · Court Security Fund	Court Security	6,100.17		Bank
	To correct transfers of court fees.	80-1105 · General Fund	Court Security		6,100.17	Bank
	To correct transfers of court fees.	80-1134 · Court Technology Fund	Court Technology	8,166.67		Bank
	To correct transfers of court fees.	80-1105 · General Fund	Court Technology		8,166.67	Bank
	To correct transfers of court fees.	80-1133 · Court Security Fund		6,100.17		Bank
	To correct transfers of court fees.	80-1134 · Court Technology Fund		8,166.67		Bank
	To correct transfers of court fees.	80-1105 · General Fund		14,266.84		Bank
				<u>28,533.68</u>	<u>28,533.68</u>	
Class11	To correct transfers to open new TexStar accounts.	80-1105 · General Fund	General Fund	193,976.00	193,976.00	Bank
	To correct transfers to open new TexStar accounts.	70-8705 · Interfund Transfer	General Fund	193,976.00		Expense
	To correct transfers to open new TexStar accounts.	80-1179 · TexStar Capital/Equip Replaceme	TexStar Capital Equipment/Repla	28,759.00		Bank
	To correct transfers to open new TexStar accounts.	70-8705 · Interfund Transfer	TexStar Capital Equipment/Repla		28,759.00	Expense
	To correct transfers to open new TexStar accounts.	80-1182 · TexStar Economic Development	TexStar Economic Development	52,000.00		Bank
	To correct transfers to open new TexStar accounts.	70-8705 · Interfund Transfer	TexStar Economic Development		52,000.00	Expense
	To correct transfers to open new TexStar accounts.	80-1178 · TexStar GF Investments	TexStar GF Investments	113,217.00		Bank
	To correct transfers to open new TexStar accounts.	70-8705 · Interfund Transfer	TexStar GF Investments		113,217.00	Expense
	To correct transfers to open new TexStar accounts.	80-1178 · TexStar GF Investments		113,217.00		Bank
	To correct transfers to open new TexStar accounts.	80-1179 · TexStar Capital/Equip Replaceme		28,759.00		Bank
	To correct transfers to open new TexStar accounts.	80-1182 · TexStar Economic Development		52,000.00		Bank
	To correct transfers to open new TexStar accounts.	80-1105 · General Fund		193,976.00		Bank
				<u>581,928.00</u>	<u>581,928.00</u>	
Class12	To correct transfers for capital project.	80-1105 · General Fund	General Fund	459,195.43		Bank
	To correct transfers for capital project.	70-8705 · Interfund Transfer	General Fund		459,195.43	Expense

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To correct transfers for capital project.	80-1146 · TexStar - GF Capital Improvemen	TexStar - GF Capital Improvemen			Bank
	To correct transfers for capital project.	70-8705 · Interfund Transfer		459,195.43	459,195.43	Expense
	To correct transfers for capital project.	80-1146 · TexStar - GF Capital Improvemen	TexStar - GF Capital Improvemen	459,195.43		Bank
	To correct transfers for capital project.	80-1105 · General Fund		1,377,586.29	459,195.43	Bank
					1,377,586.29	
Class13	To correct transfers.	80-1108 · G/F Reserve	General Fund		121,245.00	Bank
	To correct transfers.	80-1105 · General Fund	General Fund	121,245.00		Bank
	To correct transfers.	80-1108 · G/F Reserve		121,245.00		Bank
	To correct transfers.	80-1116 · Texstar - Deer Creek		219,193.73		Bank
	To correct transfers.	80-1117 · Texstar - Dyegard		334,444.24		Bank
	To correct transfers.	80-1147 · TexStar Water Capital Improve			553,637.97	Bank
	To correct transfers.	80-1143 · TexStar Wastewater		136,469.00		Bank
	To correct transfers.	80-1147 · TexStar Water Capital Improve			153,982.78	Bank
	To correct transfers.	80-1163 · Water Cash Reserve		124,897.00		Bank
	To correct transfers.	80-1181 · TexStar Water Investments		124,897.00		Bank
	To correct transfers.	80-1105 · General Fund		146,062.78		Bank
	To correct transfers.	80-1105 · General Fund	Water Fund		403,776.78	Bank
	To correct transfers.	80-1116 · Texstar - Deer Creek	Water Fund		219,193.73	Bank
	To correct transfers.	80-1117 · Texstar - Dyegard	Water Fund		334,444.24	Bank
	To correct transfers.	80-1143 · TexStar Wastewater	Waste Water Fund		136,469.00	Bank
	To correct transfers.	80-1147 · TexStar Water Capital Improve	Water Fund	707,620.75		Bank
	To correct transfers.	80-1163 · Water Cash Reserve	Water Fund	124,897.00		Bank
	To correct transfers.	80-1181 · TexStar Water Investments	Water Fund	124,897.00		Bank
	To correct transfers.	80-1105 · General Fund	Waste Water Fund	136,469.00		Bank
				2,172,543.50	2,172,543.50	
Class14	To balance the classes.	80-1105 · General Fund	General Fund, Fire Department		42.09	Bank
	To balance the classes.	80-1105 · General Fund	Court Security		347.80	Bank
	To balance the classes.	80-1105 · General Fund	Court Technology	12.00		Bank
	To balance the classes.	80-1105 · General Fund	General Fund	322,541.92		Bank
	To balance the classes.	80-1139 · Parks & Roads Donations	General Fund		60.15	Bank
	To balance the classes.	80-1139 · Parks & Roads Donations	Parks & Roads Donations	60.15		Bank
	To balance the classes.	80-1105 · General Fund	Parks & Roads Donations	34.85		Bank
	To balance the classes.	80-1105 · General Fund	Solid Waste		10,987.88	Bank
	To balance the classes.	80-1105 · General Fund	Waste Water Fund	23,260.25		Bank
	To balance the classes.	80-1105 · General Fund	Water Fund		29,264.18	Bank
	To balance the classes.	80-1105 · General Fund		345,909.17	305,207.07	Bank
					345,909.17	
Class15	To eliminate multiple class.	90-2145 · Accounts Payable	Multiple	1,484,573.90		Other Current Liability

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To eliminate multiple class.	85-1300 · Fund Balance	Multiple	35.00		Equity
	To eliminate multiple class.	32000 · Unrestricted Net Assets	Multiple	1,484,608.90	1,484,608.90	Equity
GMS01	To accrue accounts payable for USA Bluebook	20-9224 · Misc. Tools/Supplies	Waste Water Fund	5,939.19	5,939.19	Expense
	To accrue accounts payable for USA Bluebook	90-2145 · Accounts Payable	Waste Water Fund	5,939.19	5,939.19	Other Current Liability
GMS02	To accrue accounts payable for Atlas Utility Supply a	20-9231 · Water Meters	Water Fund	15,746.40		Expense
	To accrue accounts payable for Atlas Utility Supply a	40-8443 · Well Site Maintenance	Water Fund	1,097.61		Expense
	To accrue accounts payable for Atlas Utility Supply a	90-2145 · Accounts Payable	Water Fund	16,844.01	16,844.01	Other Current Liability
GMS03	To adjust court receivable to actual.	80-1175 · Court Receivable	General Fund	210,984.85		Other Current Asset
	To adjust court receivable to actual.	80-1176 · Allowance for Court Receivable	General Fund		138,766.77	Other Current Asset
	To adjust court receivable to actual.	80-1180 · Uncollectables	General Fund		59,021.77	Other Current Asset
	To adjust court receivable to actual.	90-4070 · Deferred Revenue	General Fund	15,196.31		Other Current Liability
				210,984.85	210,984.85	
GMS04	To adjust sales tax to modified accrual	00-6001 · City Sales Tax	General Fund	1,481.92		Income
	To adjust sales tax to modified accrual	80-1110 · Due from State - Sales Tax	General Fund	1,481.92	1,481.92	Other Current Asset
GMS05	To adjust franchise tax	00-6021 · A T & T	General Fund		1,824.92	Income
	To adjust franchise tax	80-1168 · Franchise Taxes Receivable	General Fund	10,869.24		Other Current Asset
	To adjust franchise tax	90-2185 · Deferred Taxes	General Fund		9,044.32	Other Current Liability
				10,869.24	10,869.24	
GMS07	Water Fixed Asset Additions	80-1220 · Machinery & Equipment	Water Fund	155,177.99		Fixed Asset
	To add Water Fixed Asset Additions	40-8426 · Software Tech Support	Water Fund		12,454.50	Expense
	To add Water Fixed Asset Additions	60-8612 · Software	Water Fund		34,442.37	Expense
	To add Water Fixed Asset Additions	40-8426 · Software Tech Support	Water Fund		3,500.00	Expense
	To add Water Fixed Asset Additions	60-8607 · Capital Improvements	Water Fund		4,452.77	Expense
	To add Water Fixed Asset Additions	60-8613 · Hardware	Water Fund		7,070.74	Expense
	To add Water Fixed Asset Additions	40-8442 · Water Main Maintenance	Water Fund		17,510.16	Expense
	To add Water Fixed Asset Additions	60-8624 · Equipment Purchase	Water Fund		69,900.00	Expense
	To add Water Fixed Asset Additions	70-8726 · Tank Maintenance	Water Fund		5,847.45	Expense
				155,177.99	155,177.99	
GMS08	To record Waste Water Fixed Asset Additions	80-1220 · Machinery & Equipment	Waste Water Fund	6,352.20		Fixed Asset
	To record Waste Water Fixed Asset Additions	20-8265 · Miscellaneous Operating - Other	Waste Water Fund		2,607.20	Expense

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To record Waste Water Fixed Asset Additions	20-8212 · Wastewater Supplies	Waste Water Fund	6,352.20	3,745.00	Expense
					6,352.20	
GMS09	To record Wastewater Improvements	80-1205 · System	Waste Water Fund	1,357,227.12		Fixed Asset
	To record Wastewater Improvements	80-1240 · Construction in Progress	Waste Water Fund		965,412.12	Fixed Asset
	To record Wastewater Improvements	40-8424 · Engineering	Waste Water Fund		36,355.00	Expense
	To record Wastewater Improvements	60-8607 · Capital Improvements	Waste Water Fund		534,433.70	Expense
	To record Wastewater Improvements	90-2145 · Accounts Payable	Waste Water Fund	178,973.70		Other Current Liability
				1,536,200.82	1,536,200.82	
GMS10	To record Water Improvements	80-1205 · System	Water Fund	108,084.96		Fixed Asset
	To record Water Improvements	20-8231 · Water Meters	Water Fund		106,084.96	Expense
				108,084.96	106,084.96	
GMS11	to adjust occupancy tax receivable to current year	80-1177 · Occupancy Tax Receivable	Tourism	1,161.03		Other Current Asset
	to adjust occupancy tax receivable to current year	00-8004 · Motel Tax	Tourism		1,161.03	Income
				1,161.03	1,161.03	
GMS12	To adjust accrued payroll to the current year balance	10-8100 · Salaries	General Fund:Admin	2,319.63		Expense
	To adjust accrued payroll to the current year balance	10-8100 · Salaries	General Fund:Development Services		626.31	Expense
	To adjust accrued payroll to the current year balance	10-8100 · Salaries	General Fund:Fire Department	14,110.95		Expense
	To adjust accrued payroll to the current year balance	10-8100 · Salaries	General Fund:Legislative	290.03		Expense
	To adjust accrued payroll to the current year balance	10-8100 · Salaries	General Fund:Municipal Court	3,021.10		Expense
	To adjust accrued payroll to the current year balance	10-8100 · Salaries	General Fund:Police Department	12,020.84		Expense
	To adjust accrued payroll to the current year balance	90-2111 · Accrued Payroll	General Fund		31,136.24	Other Current Liability
	To adjust accrued payroll to the current year balance	10-8100 · Salaries	Waste Water Fund	2,796.50		Expense
	To adjust accrued payroll to the current year balance	90-2111 · Accrued Payroll	Waste Water Fund		2,796.50	Other Current Liability
	To adjust accrued payroll to the current year balance	10-8100 · Salaries	Water Fund	5,849.44		Expense
	To adjust accrued payroll to the current year balance	90-2111 · Accrued Payroll	Water Fund		5,849.44	Other Current Liability
				40,408.49	40,408.49	
GMS13	To adjust property taxes receivable	80-1166 · Taxes Receivable	General Fund		2,279.77	Other Current Asset
	To adjust property taxes receivable	80-1167 · Allowance for Doubtful Accounts	General Fund	1,139.88		Other Current Asset
	To adjust property taxes receivable	90-2185 · Deferred Taxes	General Fund	1,139.89		Other Current Liability
	To adjust property taxes receivable	80-1166 · Taxes Receivable	Debt Service	8,026.68		Other Current Asset
	To adjust property taxes receivable	80-1167 · Allowance for Doubtful Accounts	Debt Service		4,013.34	Other Current Asset
	To adjust property taxes receivable	90-2185 · Deferred Taxes	Debt Service		4,013.34	Other Current Liability
				10,306.45	10,306.45	
GMS14	To record beginning net pension liability and deferred	32000 · Unrestricted Net Assets	Water Fund	15,895.00		Equity
	To record beginning net pension liability and deferred	80-1290 · Deferred Outflow - TMRS Contrib	Water Fund	5,121.00		Other Current Asset

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To record beginning net pension liability and deferred 90-2250 · Net Pension Liability - TMRS		Water Fund		21,016.00	Other Current Liability
	To record beginning net pension liability and deferred 80-1290 · Deferred Outflow - TMRS Contrib		Waste Water Fund	1,453.00		Other Current Asset
	To record beginning net pension liability and deferred 32000 · Unrestricted Net Assets		Waste Water Fund	4,535.00		Equity
	To record beginning net pension liability and deferred 90-2250 · Net Pension Liability - TMRS		Waste Water Fund	27,004.00	5,988.00	Other Current Liability
					27,004.00	
GMS15	To record change in TMRS net pension liability and n 80-1291 · Deferred Outflow - Investment E		Water Fund	1,371.00		Other Current Asset
	To record change in TMRS net pension liability and n 90-2251 · Deferred Inflow - Actual Experi		Water Fund		12,540.00	Other Current Liability
	To record change in TMRS net pension liability and n 10-8104 · Retirement		Water Fund	23,949.00		Expense
	To record change in TMRS net pension liability and n 90-2250 · Net Pension Liability - TMRS		Water Fund	391.00	12,780.00	Other Current Liability
	To record change in TMRS net pension liability and n 80-1291 · Deferred Outflow - Investment E		Waste Water Fund		3,573.00	Other Current Asset
	To record change in TMRS net pension liability and n 90-2251 · Deferred Inflow - Actual Experi		Waste Water Fund			Other Current Liability
	To record change in TMRS net pension liability and n 10-8104 · Retirement		Waste Water Fund	6,823.00		Expense
	To record change in TMRS net pension liability and n 90-2250 · Net Pension Liability - TMRS		Waste Water Fund	32,534.00	3,641.00	Other Current Liability
					32,534.00	
GMS16	To adjust for change in deferred outflows related to T 80-1290 · Deferred Outflow - TMRS Contrib		Water Fund	11,971.00		Other Current Asset
	To adjust for change in deferred outflows related to T 10-8104 · Retirement		Water Fund		11,971.00	Expense
	To adjust for change in deferred outflows related to T 80-1290 · Deferred Outflow - TMRS Contrib		Waste Water Fund	3,954.00		Other Current Asset
	To adjust for change in deferred outflows related to T 10-8104 · Retirement		Waste Water Fund	15,925.00	3,954.00	Expense
					15,925.00	
GMS17	To balance transfers (reverse 10/01/2015)	90-2145 · Accounts Payable	General Fund	3,828.05		Other Current Liability
	To balance transfers (reverse 10/01/2015)	70-8705 · Interfund Transfer	General Fund:Municipal Court		2,040.90	Expense
	To balance transfers (reverse 10/01/2015)	70-8742 · Court Technology Fund	General Fund:Municipal Court		1,787.15	Expense
				3,828.05	3,828.05	
GMS18	To balance Due to/From other funds	90-2152 · Due to Water Fund	General Fund	24.00		Other Current Liability
	To balance Due to/From other funds	00-6042 · Miscellaneous	General Fund		24.00	Income
				24.00	24.00	
GMS19	To adjust accrued compensated absences to the CY 10-8110 · Accrued Comp & Vacation		Waste Water Fund		2,030.34	Expense
	To adjust accrued compensated absences to the CY 90-2109 · Accrued Salaries - Payable		Waste Water Fund	2,030.34		Other Current Liability
	To adjust accrued compensated absences to the CY 10-8110 · Accrued Comp & Vacation		Water Fund	9,463.93		Expense
	To adjust accrued compensated absences to the CY 90-2109 · Accrued Salaries - Payable		Water Fund		9,463.93	Other Current Liability
				11,494.27	11,494.27	
GMS21	To close Fund 3 to Fund 18	70-8705 · Interfund Transfer	COB Escrow	21,005.12		Expense
	To close Fund 3 to Fund 18	80-1160 · COB Escrow	COB Escrow		21,005.12	Bank
	To close Fund 3 to Fund 18	80-1160 · COB Escrow	Water Fund	21,005.12		Bank
	To close Fund 3 to Fund 18	70-8705 · Interfund Transfer	Water Fund		21,005.12	Expense

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
GMS22	To reverse G.J093352. Accounts receivable for Sept 110001 · Accounts Receivable - Water		Water Fund			Other Current Asset
	To reverse G.J093352. Accounts receivable for Sept 00-5000 · User Charges		Water Fund	135,134.77	142,270.87	Income
	To reverse G.J093352. Accounts receivable for Sept 00-5002 · New Account Fees		Water Fund	1,450.00		Income
	To reverse G.J093352. Accounts receivable for Sept 00-5031 · Returned Check Fees		Water Fund	60.00		Income
	To reverse G.J093352. Accounts receivable for Sept 00-5008 · Meter Fees		Water Fund	50.00		Income
	To reverse G.J093352. Accounts receivable for Sept 90-2165 · Customer Water Deposits		Water Fund	2,510.00		Other Current Liability
	To reverse G.J093352. Accounts receivable for Sept 90-2137 · UTGCD Fee		Water Fund	3,066.10		Other Current Liability
	To reverse G.J093352. Accounts receivable for Sept 110001 · Accounts Receivable - Water		Waste Water Fund		35,829.63	Other Current Asset
	To reverse G.J093352. Accounts receivable for Sept 00-5000 · User Charges		Waste Water Fund	35,829.63		Income
	To reverse G.J093352. Accounts receivable for Sept 110001 · Accounts Receivable - Water		General Fund		248.00	Other Current Asset
	To reverse G.J093352. Accounts receivable for Sept 00-6096 · Park Contributions		General Fund	8.00		Income
	To reverse G.J093352. Accounts receivable for Sept 00-6090 · Road Contributions		General Fund	21.00		Income
	To reverse G.J093352. Accounts receivable for Sept 90-2180 · VFD Contributions		General Fund	147.00		Other Current Liability
	To reverse G.J093352. Accounts receivable for Sept 00-6051 · Police Contributions		General Fund	72.00		Income
	To reverse G.J093352. Accounts receivable for Sept 110001 · Accounts Receivable - Water		Solid Waste		22,823.68	Other Current Asset
	To reverse G.J093352. Accounts receivable for Sept 00-6003 · Waste Collection Fees		Solid Waste	21,089.21		Income
	To reverse G.J093352. Accounts receivable for Sept 90-2130 · State Sales Tax - Payable		Solid Waste	1,734.47		Other Current Liability
				201,172.18	201,172.18	
GMS23	To adjust bond payments, accrued interest, and amo 70-8715 · Bond Interest		Water Fund	70,863.00		Expense
	To adjust bond payments, accrued interest, and amo 70-8735 · 2010 Refunding		Water Fund		284,025.00	Expense
	To adjust bond payments, accrued interest, and amo 70-8736 · 2012 Refunding		Water Fund		106,050.00	Expense
	To adjust bond payments, accrued interest, and amo 70-8746 · 2014 TWDB COB		Water Fund		10,788.00	Expense
	To adjust bond payments, accrued interest, and amo 90-2160 · Current Portion of Bonds		Water Fund		45,000.00	Other Current Liability
	To adjust bond payments, accrued interest, and amo 90-2205 · Revenue Bonds Payable		Water Fund	235,000.00		Long Term Liability
	To adjust bond payments, accrued interest, and amo 90-2220 · Certificate of Obligation		Water Fund	90,000.00		Long Term Liability
	To adjust bond payments, accrued interest, and amo 90-2220 · Certificate of Obligation		Water Fund	0.00		Long Term Liability
	To adjust bond payments, accrued interest, and amo 90-2221 · 2003 Tax & Rev. Cert of Obligat		Water Fund			Long Term Liability
	To adjust bond payments, accrued interest, and amo 90-2210 · Unamortized Discount		Water Fund	30,000.00		Long Term Liability
	To adjust bond payments, accrued interest, and amo 70-8715 · Bond Interest		Water Fund	17,731.57		Long Term Liability
	To adjust bond payments, accrued interest, and amo 90-2155 · Accrued Bond Interest		Water Fund		17,731.57	Expense
	To adjust bond payments, accrued interest, and amo 70-8715 · Bond Interest		Water Fund		1,905.31	Other Current Liability
	To adjust bond payments, accrued interest, and amo 90-2160 · Current Portion of Bonds		Water Fund		1,056.25	Expense
	To adjust bond payments, accrued interest, and amo 00-6081 · Parking		General Fund	30.00		Other Current Liability
	To adjust bond payments, accrued interest, and amo 70-8719 · Interest		General Fund		30.00	Income
	To adjust bond payments, accrued interest, and amo 90-2235 · Lease - Purchase		Water Fund	2,961.56		Expense
	To adjust bond payments, accrued interest, and amo 90-2161 · Current Portion of Capital Leas		Water Fund	13,367.54		Long Term Liability
			Water Fund		13,367.54	Other Current Liability
				459,953.67	459,953.67	

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
GMS24	To reverse the payable for the lawsuit settlement - pr 90-2051 - Lawsuit Settlement Payable		Waste Water Fund	220,000.00		Other Current Liability
	To reverse the payable for the lawsuit settlement - pr 40-8416 - Legal		Waste Water Fund		220,000.00	Expense
GMS25	To reclassify governmental bond payments	70-8715 - Bond Interest	Debt Service	106,800.00		Expense
	To reclassify governmental bond payments	70-8735 - 2010 Refunding	Debt Service		14,600.00	Expense
	To reclassify governmental bond payments	70-8736 - 2012 Refunding	Debt Service	106,800.00	92,200.00	Expense
						106,800.00
GMS26	To correct 11/05/2014 deposit posted to the wrong cl 110001 - Accounts Receivable - Water		General Fund	4,168.06		Other Current Asset
	To correct 11/05/2014 deposit posted to the wrong cl 80-1105 - General Fund		General Fund		4,168.06	Bank
	To correct 11/05/2014 deposit posted to the wrong cl 110001 - Accounts Receivable - Water		Water Fund	4,168.06		Other Current Asset
	To correct 11/05/2014 deposit posted to the wrong cl 80-1105 - General Fund		Water Fund		4,168.06	Bank
						8,336.12
GMS27	To adjust utility receivables and revenue for applied c 110001 - Accounts Receivable - Water		Waste Water Fund	2,563.85		Other Current Asset
	To adjust utility receivables and revenue for applied c 00-5000 - User Charges		Waste Water Fund		2,563.85	Income
	To adjust utility receivables and revenue for applied c 110001 - Accounts Receivable - Water		Solid Waste	3,203.14		Other Current Asset
	To adjust utility receivables and revenue for applied c 00-6003 - Waste Collection Fees		Solid Waste		3,203.14	Income
	To adjust utility receivables and revenue for applied c 110001 - Accounts Receivable - Water		General Fund	2,986.82		Other Current Asset
	To adjust utility receivables and revenue for applied c 80-1105 - General Fund		General Fund		2,986.82	Bank
	To adjust utility receivables and revenue for applied c 80-1105 - General Fund		Water Fund	2,826.82		Bank
	To adjust utility receivables and revenue for applied c 80-1105 - General Fund		Water Fund		2,826.82	Bank
	To adjust utility receivables and revenue for applied c 110001 - Accounts Receivable - Water		Water Fund	132,494.56		Other Current Asset
	To adjust utility receivables and revenue for applied c 90-2165 - Customer Water Deposits		Water Fund	27,609.41		Other Current Liability
	To adjust utility receivables and revenue for applied c 00-5043 - Adjustment to Revenue.		Water Fund		69,627.11	Income
	To adjust utility receivables and revenue for applied c 00-5000 - User Charges		Water Fund		74,305.90	Income
To adjust utility receivables and revenue for applied c 00-5043 - Adjustment to Revenue.		Water Fund		7,185.25	Income	
To adjust utility receivables and revenue for applied c 50-8503 - Water Deposit Refunds		Water Fund		6,158.89	Expense	
To adjust utility receivables and revenue for applied c 90-2165 - Customer Water Deposits		General Fund	160.00		Other Current Liability	
						168,657.76
GMS28	To adjust earned but unbilled utility revenue	80-1170 - Unbilled Receivables	Solid Waste		1,295.99	Other Current Asset
	To adjust earned but unbilled utility revenue	00-6003 - Waste Collection Fees	Solid Waste	1,295.99		Income
	To adjust earned but unbilled utility revenue	80-1170 - Unbilled Receivables	Water Fund	8,482.13		Other Current Asset
	To adjust earned but unbilled utility revenue	00-5000 - User Charges	Water Fund		8,482.13	Income
	To adjust earned but unbilled utility revenue	80-1170 - Unbilled Receivables	Waste Water Fund		3,020.75	Other Current Asset
	To adjust earned but unbilled utility revenue	00-5000 - User Charges	Waste Water Fund	3,020.75		Income
						12,798.87
GMS29	To adjust allowance for accounts aged 90+ days	80-1180 - Uncollectables	Solid Waste		195.64	Other Current Asset

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To adjust allowance for accounts aged 90+ days	70-8723 · Bad Debt	Solid Waste	195.64		Expense
	To adjust allowance for accounts aged 90+ days	80-1180 · Uncollectables	Waste Water Fund		297.40	Other Current Asset
	To adjust allowance for accounts aged 90+ days	70-8723 · Bad Debt	Waste Water Fund	297.40		Expense
	To adjust allowance for accounts aged 90+ days	80-1180 · Uncollectables	Water Fund		4,154.18	Other Current Asset
	To adjust allowance for accounts aged 90+ days	70-8723 · Bad Debt	Water Fund	4,154.18		Expense
				<u>4,647.22</u>	<u>4,647.22</u>	
GMS30	To reclassify capital lease payments.	60-8601 · Motor Equipment	General Fund: Fire Department		50,136.95	Expense
	To reclassify capital lease payments.	60-8601 · Motor Equipment	General Fund: Police Department		59,052.18	Expense
	To reclassify capital lease payments.	80-1105 · General Fund	General Fund	9,113.80		Bank
	To reclassify capital lease payments.	70-8724 · Principal Retirement	General Fund: Admin	95,129.98		Expense
	To reclassify capital lease payments.	70-8719 · Interest	General Fund: Admin	4,945.35		Expense
	To reclassify capital lease payments.	60-8601 · Motor Equipment	Water Fund		9,305.00	Expense
	To reclassify capital lease payments.	80-1105 · General Fund	Water Fund	9,113.80		Bank
	To reclassify capital lease payments.	80-1230 · Vehicular Equipment	Water Fund	156,458.00		Fixed Asset
	To reclassify capital lease payments.	90-2235 · Lease - Purchase	Water Fund		156,458.00	Long Term Liability
	To reclassify capital lease payments.	90-2235 · Lease - Purchase	Water Fund	17,142.42		Long Term Liability
	To reclassify capital lease payments.	70-8719 · Interest	Water Fund	1,276.38		Expense
				<u>284,065.93</u>	<u>284,065.93</u>	
GMS32	To record Disposal of Fixed Assets	80-1235 · Accumulated Depreciation.	Water Fund	23,552.00		Fixed Asset
	To record Disposal of Fixed Assets	80-1230 · Vehicular Equipment	Water Fund		23,552.00	Fixed Asset
	To record Disposal of Fixed Assets	80-1235 · Accumulated Depreciation.	Waste Water Fund	4,750.00		Fixed Asset
	To record Disposal of Fixed Assets	80-1230 · Vehicular Equipment	Waste Water Fund		4,750.00	Fixed Asset
	To record Disposal of Fixed Assets	00-6042 · Miscellaneous	Water Fund	4,557.75		Income
	To record Disposal of Fixed Assets	80-1105 · General Fund	Water Fund		611.50	Bank
	To record Disposal of Fixed Assets	00-5045 · Loss on Disposal of Assets	Water Fund		3,946.25	Income
	To record Disposal of Fixed Assets	80-1105 · General Fund	Waste Water Fund	611.50		Bank
	To record Disposal of Fixed Assets	00-5045 · Loss on Disposal of Assets	Waste Water Fund		611.50	Income
				<u>33,471.25</u>	<u>33,471.25</u>	
GMS33	to reclassify TCEQ payments	90-2050 · Accrued Loss on Enmtl Liability	Waste Water Fund	14,676.00		Other Current Liability
	to reclassify TCEQ payments	40-8410 · Lab Testing	Waste Water Fund		1,223.00	Expense
	to reclassify TCEQ payments	40-8415 · Fines & Penalties	Waste Water Fund		13,453.00	Expense
				<u>14,676.00</u>	<u>14,676.00</u>	
GMS34	To record Depreciation Expense	70-8717 · Depreciation Expense	Water Fund	259,572.53		Expense
	To record Depreciation Expense	80-1235 · Accumulated Depreciation.	Water Fund		259,572.53	Fixed Asset
	To record Depreciation Expense	70-8717 · Depreciation Expense	Waste Water Fund	42,702.08		Expense
	To record Depreciation Expense	80-1235 · Accumulated Depreciation.	Waste Water Fund		42,702.08	Fixed Asset
				<u>302,274.61</u>	<u>302,274.61</u>	

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
GMS35	To adjust Accumulated Depreciation and beginning e 80-1235 · Accumulated Depreciation.		Water Fund		232,168.96	Fixed Asset
	To adjust Accumulated Depreciation and beginning e 32000 · Unrestricted Net Assets		Water Fund	232,168.96		Equity
	To adjust Accumulated Depreciation and beginning e 80-1235 · Accumulated Depreciation.		Waste Water Fund		38,051.54	Fixed Asset
	To adjust Accumulated Depreciation and beginning e 32000 · Unrestricted Net Assets		Waste Water Fund	38,051.54		Equity
			<u>270,220.50</u>	<u>270,220.50</u>		
GMS36	To adjust for utility billing clerk & admin assist salary 80-1105 · General Fund		Water Fund	22,001.12		Bank
	To adjust for utility billing clerk & admin assist salary 10-8100 · Salaries		Water Fund		20,389.34	Expense
	To adjust for utility billing clerk & admin assist salary 10-8101 · Payroll Expense		Water Fund		295.64	Expense
	To adjust for utility billing clerk & admin assist salary 10-8105 · Unemployment Insurance		Water Fund		103.40	Expense
	To adjust for utility billing clerk & admin assist salary 10-8104 · Retirement		Water Fund		1,212.74	Expense
	To adjust for utility billing clerk & admin assist salary 80-1105 · General Fund		Waste Water Fund		11,000.56	Bank
	To adjust for utility billing clerk & admin assist salary 10-8100 · Salaries		Waste Water Fund	10,194.67		Expense
	To adjust for utility billing clerk & admin assist salary 10-8101 · Payroll Expense		Waste Water Fund		147.82	Expense
	To adjust for utility billing clerk & admin assist salary 10-8105 · Unemployment Insurance		Waste Water Fund		51.70	Expense
	To adjust for utility billing clerk & admin assist salary 10-8104 · Retirement		Waste Water Fund		606.37	Expense
	To adjust for utility billing clerk & admin assist salary 80-1105 · General Fund		Solid Waste		11,000.56	Bank
				<u>10,194.67</u>	<u>44,002.24</u>	<u>44,002.24</u>
GMS37	To adjust for TWDB escrow activity	70-8744 · Water Development Board	Water Improvement Fund	45,139.90		Expense
	To adjust for TWDB escrow activity	80-1160 · COB Escrow	Water Improvement Fund		45,088.09	Bank
	To adjust for TWDB escrow activity	00-6005 · Interest - Operating Fund	Water Improvement Fund		51.81	Income
				<u>45,139.90</u>	<u>45,139.90</u>	
GMS38	To report transactions in the appropriate funds	80-1513 · Police Seizure - Federal FFB	Seizure Fund		4,630.00	Bank
	To report transactions in the appropriate funds	60-8624 · Equipment Purchase	Seizure Fund	4,630.00		Expense
	To report transactions in the appropriate funds	80-1513 · Police Seizure - Federal FFB	General Fund	4,630.00		Bank
	To report transactions in the appropriate funds	60-8624 · Equipment Purchase	General Fund:Police Department		4,630.00	Expense
	To report transactions in the appropriate funds	80-1514 · Police Seizure - State FFB	General Fund		1,925.41	Bank
	To report transactions in the appropriate funds	00-6052 · Forfeiture Fund	General Fund	1,925.41		Income
	To report transactions in the appropriate funds	80-1514 · Police Seizure - State FFB	Seizure Fund		1,925.41	Bank
	To report transactions in the appropriate funds	00-6052 · Forfeiture Fund	Seizure Fund		1,925.41	Income
			<u>13,110.82</u>	<u>13,110.82</u>		
GMS39	To record new capital leases in the General Fund	00-6054 · Capital Leases	General Fund		108,208.73	Income
	To record new capital leases in the General Fund	60-8601 · Motor Equipment	General Fund:Fire Department	77,347.00		Expense

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To record new capital leases in the General Fund	60-8601 · Motor Equipment	General Fund:Police Department	30,861.73		Expense
				108,208.73	108,208.73	
GMS41	To move impact fee to correct fund	80-1105 · General Fund	Water Fund		1,948.24	Bank
	To move impact fee to correct fund	00-5004 · Impact Fees	Water Fund	1,948.24		Income
	To move impact fee to correct fund	80-1105 · General Fund	Waste Water Fund	1,948.24		Bank
	To move impact fee to correct fund	00-5004 · Impact Fees	Waste Water Fund		1,948.24	Income
				3,896.48	3,896.48	
GMS43	To adjust retirement payable	90-2115 · Retirement - Payable	Waste Water Fund	230.74		Other Current Liability
	To adjust retirement payable	10-8104 · Retirement	Waste Water Fund		230.74	Expense
	To adjust retirement payable	90-2115 · Retirement - Payable	Water Fund	1,995.68		Other Current Liability
	To adjust retirement payable	10-8104 · Retirement	Water Fund		1,995.68	Expense
	To adjust retirement payable	90-2115 · Retirement - Payable	General Fund	1,438.00		Other Current Liability
	To adjust retirement payable	10-8104 · Retirement	General Fund:Police Department		1,438.00	Expense
				3,664.42	3,664.42	
GMS44	To adjust TEC payable	90-2107 · TEC Payable	General Fund	4,633.17		Other Current Liability
	To adjust TEC payable	10-8105 · Unemployment Insurance	General Fund:Police Department		2,316.59	Expense
	To adjust TEC payable	10-8105 · Unemployment Insurance	General Fund:Fire Department		2,316.58	Expense
	To adjust TEC payable	90-2107 · TEC Payable	Waste Water Fund	301.81		Other Current Liability
	To adjust TEC payable	10-8105 · Unemployment Insurance	Waste Water Fund		301.81	Expense
	To adjust TEC payable	90-2107 · TEC Payable	Water Fund	1,223.01		Other Current Liability
	To adjust TEC payable	10-8105 · Unemployment Insurance	Water Fund		1,223.01	Expense
				6,157.99	6,157.99	
GMS45	To clean up debit balances in AP	90-2145 · Accounts Payable	FIRST RESPONDER - FIRE		1,542.61	Other Current Liability
	To clean up debit balances in AP	00-6042 · Miscellaneous	FIRST RESPONDER - FIRE	1,080.00		Income
	To clean up debit balances in AP	20-8203 · Miscellaneous Operating	FIRST RESPONDER - FIRE	462.61		Expense
				1,542.61	1,542.61	
GMS46	To adjust sales tax payable to correct fund	80-1105 · General Fund	Solid Waste		6,316.70	Bank
	To adjust sales tax payable to correct fund	40-8425 · Solid Waste Collection	Solid Waste	999.45		Expense
	To adjust sales tax payable to correct fund	90-2130 · State Sales Tax - Payable	Solid Waste	5,317.25		Other Current Liability
	To adjust sales tax payable to correct fund	90-2130 · State Sales Tax - Payable	General Fund		6,316.70	Other Current Liability
	To adjust sales tax payable to correct fund	80-1105 · General Fund	General Fund	6,316.70		Bank
				12,633.40	12,633.40	
GMS47	To clean up court liabilities	90-2120 · State - Time Payment Payable	General Fund		4.03	Other Current Liability
	To clean up court liabilities	90-2151 · Due to Court Security	General Fund		2,210.86	Other Current Liability
	To clean up court liabilities	90-2125 · State Court Cost - Payable	General Fund	228.32		Other Current Liability

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To clean up court liabilities	90-2126 · State Traffic Fee	General Fund	3,237.07		Other Current Liability
	To clean up court liabilities	90-2127 · State Jury Fee	General Fund	1,286.19		Other Current Liability
	To clean up court liabilities	90-2129 · Judicial Support	General Fund	3,696.57		Other Current Liability
	To clean up court liabilities	90-2131 · Indigent Defense Fee	General Fund	509.11		Other Current Liability
	To clean up court liabilities	90-2132 · State FTA/OmnI Collections	General Fund		330.99	Other Current Liability
	To clean up court liabilities	90-2134 · C.JF - Civil Justice Fund	General Fund	398.06		Other Current Liability
	To clean up court liabilities	90-2136 · CSS - Child Safety Seat	General Fund	216.00		Other Current Liability
	To clean up court liabilities	90-2138 · TPDF	General Fund	4,255.37		Other Current Liability
	To clean up court liabilities	00-6064 · Court Administration	General Fund	11,280.81		Income
				<u>13,826.69</u>	<u>13,826.69</u>	
GMS-48	To clean up liability accounts	90-2145 · Accounts Payable	General Fund		1,450.24	Other Current Liability
	To clean up liability accounts	20-8203 · Miscellaneous Operating	General Fund/Admin	1,450.24		Expense
	To clean up liability accounts	90-2145 · Accounts Payable	Waste Water Fund	1,233.00		Other Current Liability
	To clean up liability accounts	20-8265 · Miscellaneous Operating - Other	Waste Water Fund		1,233.00	Expense
	To clean up liability accounts	90-2145 · Accounts Payable	Water Fund		2,098.90	Other Current Liability
	To clean up liability accounts	20-8265 · Miscellaneous Operating - Other	Water Fund	2,098.90		Expense
				<u>4,782.14</u>	<u>4,782.14</u>	
GMS-49	To clean up withholding accounts	24000 · Payroll Liabilities	General Fund		355.96	Other Current Liability
	To clean up withholding accounts	90-2050 · Accrued Loss on Emrtl Liability	General Fund	129.59		Other Current Liability
	To clean up withholding accounts	90-2100 · Federal Withholding	General Fund		2,050.49	Other Current Liability
	To clean up withholding accounts	90-2104 · Social security	General Fund		30.06	Other Current Liability
	To clean up withholding accounts	90-2105 · FICA Payable	General Fund		158.41	Other Current Liability
	To clean up withholding accounts	90-2135 · Employee Other	General Fund	50.00		Other Current Liability
	To clean up withholding accounts	90-2140 · Employee Insurance	General Fund		534.86	Other Current Liability
	To clean up withholding accounts	10-8101 · Payroll Expense	General Fund/Police Department	2,950.19		Expense
	To clean up withholding accounts	90-2050 · Accrued Loss on Emrtl Liability	Court Technology	4.00		Other Current Liability
	To clean up withholding accounts	90-4050 · Court Technology	Court Technology	16.50		Other Current Liability
	To clean up withholding accounts	00-6067 · MC Tech Fee	Court Technology		20.50	Income
	To clean up withholding accounts	90-2100 · Federal Withholding	Waste Water Fund		268.24	Other Current Liability
	To clean up withholding accounts	90-2105 · FICA Payable	Waste Water Fund		39.20	Other Current Liability
	To clean up withholding accounts	90-2110 · Child Support	Waste Water Fund	328.16		Other Current Liability
	To clean up withholding accounts	90-2140 · Employee Insurance	Waste Water Fund	217.99		Other Current Liability
	To clean up withholding accounts	24000 · Payroll Liabilities	Waste Water Fund		26.47	Other Current Liability
	To clean up withholding accounts	90-2137 · UTGCD Fee	Waste Water Fund	37.50		Other Current Liability
	To clean up withholding accounts	10-8101 · Payroll Expense	Waste Water Fund		249.74	Expense
	To clean up withholding accounts	90-2100 · Federal Withholding	Water Fund		1,257.10	Other Current Liability
	To clean up withholding accounts	90-2105 · FICA Payable	Water Fund		259.92	Other Current Liability
	To clean up withholding accounts	90-2110 · Child Support	Water Fund	927.10		Other Current Liability
	To clean up withholding accounts	90-2140 · Employee Insurance	Water Fund	496.15		Other Current Liability

City of Willow Park
Adjusting Journal Entries
October 2014 through September 2015

Num	Memo	Account	Class	Debit	Credit	Account Type
	To clean up withholding accounts	24000 · Payroll Liabilities	Water Fund		52.92	Other Current Liability
	To clean up withholding accounts	10-8101 · Payroll Expense	Water Fund	146.69		Expense
				<u>5,303.87</u>	<u>5,303.87</u>	
GMS50	To adjust for developer agreement contributions	90-4070 · Deferred Revenue	Waste Water Fund	51,030.00		Other Current Liability
	To adjust for developer agreement contributions	00-5009 · Development Contribution/Deposi	Waste Water Fund		165,660.00	Income
	To adjust for developer agreement contributions	110001 · Accounts Receivable - Water	Waste Water Fund	114,630.00		Other Current Asset
	To adjust for developer agreement contributions	90-4070 · Deferred Revenue	Water Fund	19,600.00		Other Current Liability
	To adjust for developer agreement contributions	00-5009 · Development Contribution/Deposi	Water Fund		33,600.00	Income
	To adjust for developer agreement contributions	110001 · Accounts Receivable - Water	Water Fund	14,000.00		Other Current Asset
				<u>199,260.00</u>	<u>199,260.00</u>	
GMS52	To adjust allocation of M & O and I & S property taxe	80-1105 · General Fund	Debt Service	32,151.82		Bank
	To adjust allocation of M & O and I & S property taxe	00-6008 · I & S Taxes	Debt Service		32,151.82	Income
	To adjust allocation of M & O and I & S property taxe	80-1105 · General Fund	General Fund	32,151.82		Bank
	To adjust allocation of M & O and I & S property taxe	00-6000 · M & O Tax	General Fund		32,151.82	Income
				<u>64,303.64</u>	<u>64,303.64</u>	
GMS53	To adjust for negative cash in the wastewater fund	80-1105 · General Fund	Waste Water Fund	652,774.00		Bank
	To adjust for negative cash in the wastewater fund	90-2152 · Due to Water Fund	Waste Water Fund		652,774.00	Other Current Liability
	To adjust for negative cash in the wastewater fund	80-1105 · General Fund	Water Fund	652,774.00		Bank
	To adjust for negative cash in the wastewater fund	80-1125 · Due from Waste Water Fund	Water Fund		652,774.00	Other Current Asset
				<u>1,305,548.00</u>	<u>1,305,548.00</u>	
GMS55	To reclassify payment from Willow Park Fire & Rescu	00-6046 · Other Reimbursables	General Fund	21,001.00		Income
	To reclassify payment from Willow Park Fire & Rescu	00-6030 · VFD Contributions	General Fund		21,001.00	Income
				<u>21,001.00</u>	<u>21,001.00</u>	
TOTAL				<u>21,307,479.94</u>	<u>21,307,479.94</u>	

Willow Park Fire/Rescue Department
Adjusting Journal Entries
October 2014 through September 2015

Num	Name	Memo	Account	Debit	Credit	Account Type
GMS45	United States Treasury United States Treasury	To clean up debit balance in AP. To clean up debit balance in AP.	90-2145 · Accounts Payable 00-6042 · Miscellaneous	1,080.00 1,080.00	1,080.00 1,080.00	Accounts Payable Income
GMS45.2	COMPASS BANK COMPASS BANK	To clean up debit balance in accounts payable. To clean up debit balance in accounts payable.	90-2145 · Accounts Payable 20-8203 · Miscellaneous Operating	66.62 66.62	66.62 66.62	Accounts Payable Expense
GMS45.3	MICHAEL ANTHONY KELLEY MICHAEL ANTHONY KELLEY	To clean up debit balances in accounts payable. To clean up debit balances in accounts payable.	90-2145 · Accounts Payable 20-8203 · Miscellaneous Operating	180.00 180.00	180.00 180.00	Accounts Payable Expense
GMS45.4	NAPA AUTO PARTS NAPA AUTO PARTS	To clean up debit balances in AP. To clean up debit balances in AP.	90-2145 · Accounts Payable 20-8203 · Miscellaneous Operating	67.50 67.50	67.50 67.50	Accounts Payable Expense
GMS45.5	ULINE ULINE	To clean up debit balances in AP. To clean up debit balances in AP.	90-2145 · Accounts Payable 20-8203 · Miscellaneous Operating	148.49 148.49	148.49 148.49	Accounts Payable Expense
GMS31		To record transfer of fire truck and related debt from fire and rescue to city. To record transfer of fire truck and related debt from fire and rescue to city. To record transfer of fire truck and related debt from fire and rescue to city. To record transfer of fire truck and related debt from fire and rescue to city. To record transfer of fire truck and related debt from fire and rescue to city. To record transfer of fire truck and related debt from fire and rescue to city.	90-2155 · Interest Payable 70-8715 · Interest Expense 90-2200 · Long Term Liabilities 80-1300 · Fixed Assets 80-1235 · Accumulated Depreciation 70-8708 · Interfund Transfers	7,027.14 305.52 195,537.73 80,231.60 15,663.99 283,101.99		Other Current Liability Expense Long Term Liability Fixed Asset Fixed Asset Expense
GMS40		To adjust opening balances to 2014 audit report. To adjust opening balances to 2014 audit report.	85-1300 · Fund Balance 20-8203 · Miscellaneous Operating	180.00 180.00	180.00 180.00	Equity Expense
GMS42		To clean up payroll liability accounts. To clean up payroll liability accounts. To clean up payroll liability accounts. To clean up payroll liability accounts. To clean up payroll liability accounts. To clean up payroll liability accounts. To clean up payroll liability accounts. To clean up payroll liability accounts. To clean up payroll liability accounts.	90-2140 · Employee Insurance 90-2115 · Retirement Payable 90-2111 · Accrued Wages Payable 24000 · Payroll Liabilities 90-2100 · Federal Withholding 90-2104 · Social Security 90-2105 · FICA Payable 10-8104 · Retirement 10-8103 · Health Insurance 00-6042 · Miscellaneous	1,314.07 138.48 10,240.39 619.56 127.00 128.46 30.26 138.48 1,314.07 11,146.67 12,595.22		Other Current Liability Other Current Liability Other Current Liability Other Current Liability Other Current Liability Other Current Liability Other Current Liability Expense Expense Income

Willow Park Fire/Rescue Department
Adjusting Journal Entries
October 2014 through September 2015

Num	Name	Memo	Account	Debit	Credit	Account Type
GMS51		To record transfer of assets from fire and rescue to City.	80-1300 - Fixed Assets	604,322.31	929,214.07	Fixed Asset
		To record transfer of assets from fire and rescue to City.	80-1235 - Accumulated Depreciation	324,891.76		Fixed Asset
		To record transfer of assets from fire and rescue to City.	70-8706 - Interfund Transfers	929,214.07	929,214.07	Expense
TOTAL				<u>1,226,637.89</u>	<u>1,226,637.89</u>	

CITY OF WILLOW PARK, TEXAS
Annual Financial Report
For the Year Ended September 30, 2015

TABLE OF CONTENTS

	<u>Exhibit Number</u>	<u>Page Number</u>
FINANCIAL SECTION		
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4 - 11
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Position	A-1	12
Statement of Activities	B-1	13 - 14
Fund Financial Statements		
Balance Sheet - Governmental Funds	C-1	15
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	C-2	16
Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	C-3	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	18
Statement of Net Position - Proprietary Funds	D-1	19
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	D-2	20
Statement of Cash Flows - Proprietary Funds	D-3	21
Notes to the Financial Statements		22 - 46
Required Supplementary Information		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	E-1	47
Schedule of Changes in Net Pension Liability and Related Ratios	E-2	48
Schedule of Employer Contributions and Related Ratios	E-3	49
Notes to the Required Supplementary Information		50
Combining Nonmajor Governmental Fund Statements		
Combining Balance Sheet - Nonmajor governmental funds	F-1	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor governmental funds	F-2	52
OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		53 - 54
Schedule of Findings and Responses		55

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Willow Park, Texas, (the "City") as of and for the year ended September 30, 2015, 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 misstatement, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

George, Morgan & Sneed, P.C.

1849 Wall Street | Weatherford, TX 76086-6298 | Phone 817.594.2704 | Fax 817.599.7389

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4-11 and budgetary comparison information, schedule of changes in net pension liability and related ratios, and schedule of contributions and related ratios on pages 47-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor governmental funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted

in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, on our consideration of the City Willow Park, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

George, Morgan & Sneed, P.C.

George, Morgan & Sneed, P.C.
Weatherford, Texas
June 10, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of The City of Willow Park, Texas, we offer readers of The City of Willow Park's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Willow Park exceeded its liabilities at the close of the most recent fiscal year by \$10,965,533 (*net position*). Of this amount, \$3,326,831 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,105,907. The City's operations increased the governmental activities by \$694,434 and the business-type activities by \$486,411. Net position was decreased by a \$74,938 prior period adjustment as a result of implementing new accounting standards. See the notes to the financial statements for a description of the new standards.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,199,866, or 37% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

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

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

Proprietary funds. The City maintains one type of proprietary fund. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater funds, which are considered major funds. Data from the other enterprise fund is combined into a single, aggregated presentation.

The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-46 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 47-50 of this report.

The combining and individual nonmajor governmental funds statements are presented immediately following the required supplementary information. These statements can be found on Exhibits F-1 through F-2 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$10,965,533 as of September 30, 2015.

The largest portion of the City's net position (64%) reflects its investment in capital assets (e.g. land, buildings and improvements, furniture and equipment, vehicles, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

\$600,768 represents resources that are subject to external restrictions on how they may be used. The \$3,326,831 balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 1,857,707	\$ 1,983,809	\$ 3,452,042	\$ 4,184,309	\$ 5,309,749	\$ 6,168,118
Capital assets	5,375,208	4,664,858	7,777,556	7,263,943	13,152,764	11,928,801
Total Assets	7,232,915	6,648,667	11,229,598	11,448,252	18,462,513	18,096,919
Deferred outflows of resources	79,435	-	24,261	-	103,696	-
Long-term liabilities	4,364,972	4,401,821	2,733,461	2,885,694	7,098,433	7,287,515
Other liabilities	171,893	152,987	272,537	726,161	444,430	879,148
Total liabilities	4,536,865	4,554,808	3,005,998	3,611,855	7,542,863	8,166,663
Deferred inflows of resources	41,700	-	16,113	70,630	57,813	70,630
Net Position:						
Invested in capital assets net of related debt	1,224,207	339,882	5,813,727	5,625,567	7,037,934	5,965,449
Restricted	190,049	110,761	410,719	401,242	600,768	512,003
Unrestricted	1,319,529	1,643,216	2,007,302	1,738,958	3,326,831	3,382,174
Total Net Position	\$ 2,733,785	\$ 2,093,859	\$ 8,231,748	\$ 7,765,767	\$ 10,965,533	\$ 9,859,626

Governmental Activities. Governmental activities increased the City's net position by \$694,434 in the current year. Total governmental activities revenues increased \$743,933 (24%) primarily due to an increase in licenses and permits of \$172,994, an increase in municipal court fines and fees of \$44,094, an increase in capital grants and contributions of \$341,156 and an increase in property taxes of \$91,305. The capital grants and contributions consists of fire department vehicles, equipment and buildings net of related debt transferred from the Willow Park Fire and Rescue. Total expenses increased \$395,725 primarily due to a \$55,541 increase in salaries and \$41,250 increase in animal control of the police department, and depreciation expense of the fire department.

Business-type activities. Business-type activities increased the City's net position by \$486,411. Total business-type activities revenues increased \$490,536 (24%) primarily due to water and

wastewater rate increases that resulted in a \$283,135 increase to charges for services and \$206,711 contributions from a developers recognized in current year for the construction of a water and wastewater improvements. Expenses increased \$188,153 primarily due to personnel costs, repairs and maintenance and attorney fees.

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

Statement of Activities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 625,023	\$ 383,885	\$ 2,320,482	\$ 2,037,347	\$ 2,945,505	\$ 2,421,232
Operating grants and contributions	68,045	5,703	-	-	68,045	5,703
Capital grants and contributions	341,156	-	206,771	1,239	547,927	1,239
General revenues:						
Property taxes	1,616,438	1,525,133	-	-	1,616,438	1,525,133
Sales taxes	808,638	849,687	-	-	808,638	849,687
Franchise taxes	257,263	231,847	-	-	257,263	231,847
Hotel Occupancy taxes	16,209	14,617	-	-	16,209	14,617
Investment earnings	2,977	1,241	1,393	4,082	4,370	5,323
Other revenue	60,385	40,088	4,558	-	64,943	40,088
Total revenues	<u>3,796,134</u>	<u>3,052,201</u>	<u>2,533,204</u>	<u>2,042,668</u>	<u>6,329,338</u>	<u>5,094,869</u>
Expenses						
Administration	301,472	310,097	-	-	301,472	310,097
Development services	241,512	196,748	-	-	241,512	196,748
Legislative	83,520	67,967	-	-	83,520	67,967
Municipal court	113,563	94,808	-	-	113,563	94,808
Police	1,119,734	1,016,330	-	-	1,119,734	1,016,330
Fire and rescue	723,845	569,624	-	-	723,845	569,624
Public works parks & roads	424,154	358,147	-	-	424,154	358,147
Tourism	9,137	5,457	-	-	9,137	5,457
Interest on long-term debt	84,763	86,797	-	-	84,763	86,797
Water	-	-	1,431,705	1,317,024	1,431,705	1,317,024
Wastewater	-	-	444,533	362,353	444,533	362,353
Solid Waste	-	-	170,555	179,263	170,555	179,263
Total expenses	<u>3,101,700</u>	<u>2,705,975</u>	<u>2,046,793</u>	<u>1,858,640</u>	<u>5,148,493</u>	<u>4,564,615</u>
Increase (decrease) in net position before transfers and special items	694,434	346,226	486,411	184,028	1,180,845	530,254
Transfers	-	111,902	-	(111,902)	-	-
Lawsuit settlement	-	-	-	(220,000)	-	(220,000)
Increase (decrease) in net position	<u>694,434</u>	<u>458,128</u>	<u>486,411</u>	<u>(147,874)</u>	<u>1,180,845</u>	<u>310,254</u>
Net Position October 1	2,093,859	1,635,731	7,765,767	7,913,641	9,859,626	9,549,372
Prior Period Adjustment	(54,508)	-	(20,430)	-	(74,938)	-
Net Position September 30	<u>\$ 2,733,785</u>	<u>\$ 2,093,859</u>	<u>\$ 8,231,748</u>	<u>\$ 7,765,767</u>	<u>\$ 10,965,533</u>	<u>\$ 9,859,626</u>

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,199,866. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 37% of the total general fund expenditures. Fund balance of the general fund decreased \$295,858.

The debt service fund has a total fund balance of \$74,079, all of which is restricted for the payment of debt service.

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

The City's water fund, wastewater fund and solid waste fund are enterprise funds that comprise the City's proprietary funds. Unrestricted net position of the water fund, wastewater fund and solid waste fund at the end of the year amounted to \$3,251,223, (\$1,383,093) and \$139,172 respectively. The total change in net position for the three funds was \$339,816, \$89,579 and \$57,016 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The general fund budget was amended one time during the year. Budgeted revenue was decreased \$88,374 and budgeted expenditures were increased \$370,410. The most significant changes were decreases to property tax revenue and increases to public works for road improvements.

During the year, actual revenues were \$151,882 greater than budgeted and actual expenditures were \$120,230 more than budgeted. \$108,209 for vehicles purchased with capital leases were not budgeted.

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2015, amounts to \$13,152,764 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, vehicles, infrastructure and water and wastewater systems.

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- 2015 Ford F350 Brush Truck \$77,347.
 - 2015 Ford F-150 for the fire department \$31,928.
 - 2014 Chevrolet Tahoe for the police department \$30,862.
 - Street improvements \$506,858.
 - Net book value of \$512,098 for vehicles, equipment and buildings transferred from the Willow Park Fire and Rescue.

Business-type activities:

- 2015 Freightliner \$156,458.
- STW utility billing software \$50,397.
- Vacuum trailer \$69,900.
- Water meters \$106,085.
- \$391,815 to complete wastewater improvements.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 126,024	\$ 126,024	\$ 383,897	\$ 383,897	\$ 509,921	\$ 509,921
Construction in progress	-	21,650	74,419	1,039,831	74,419	1,061,481
Buildings and improvements	381,593	284,079	57,452	59,428	439,045	343,507
Furniture and equipment	136,766	75,023	170,043	30,237	306,809	105,260
Vehicles	455,789	118,859	160,434	36,240	616,223	155,099
Infrastructure	4,275,036	4,039,223	-	-	4,275,036	4,039,223
Water system	-	-	4,774,454	4,873,946	4,774,454	4,873,946
Wastewater system	-	-	2,156,857	840,364	2,156,857	840,364
Total	\$ 5,375,208	\$ 4,664,858	\$ 7,777,556	\$ 7,263,943	\$ 13,152,764	\$ 11,928,801

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

Long-Term Debt

At year-end the City had \$6,487,883 in bonds and leases outstanding, a decrease of \$314,735 from the prior year. \$5,395,000 are general obligation bonds that are backed by the full faith and credit of the City. \$685,000 are certificates of obligation secured by surplus revenues of the water and wastewater fund and ad valorem taxes. The City also had \$407,883 in capital leases outstanding.

City of Willow Park's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Capital leases	\$ 268,567	\$ 52,618	\$ 139,316	\$ -	\$ 407,883	\$ 52,618
General Obligation Bonds	3,680,000	4,040,000	1,715,000	2,025,000	5,395,000	6,065,000
Certificates of Obligation	-	-	685,000	685,000	685,000	685,000
Total	\$ 3,948,567	\$ 4,092,618	\$ 2,539,316	\$ 2,710,000	\$ 6,487,883	\$ 6,802,618

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

Economic factors and the Next Year's Budgets and Rates

The City anticipates increased ad valorem tax revenue in the 2015-16 Fiscal Year. The completion of the town homes and the senior living facility should increase the overall property tax base. The city has seen a decrease in sales tax during the first part of the current fiscal year, but has seen a slight increase in the last couple of months.

In May of 2016 the citizens passed 2 bond proposals. The proceeds from these bonds will be used to build a new Public Safety Building and to do road improvements.

Request for Information

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

BASIC FINANCIAL STATEMENTS

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CITY OF WILLOW PARK, TEXAS
Statement of Net Position
September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Willow Park Fire and Rescue
ASSETS:				
Cash and cash equivalents	\$ 1,167,730	\$ 2,146,616	\$ 3,314,346	\$ 97,786
Certificates of deposit	239,107	27,366	266,473	-
Receivables (Net of allowances for uncollectibles)				
Property taxes	12,192	-	12,192	-
Sales taxes	141,437	-	141,437	-
Franchise taxes	142,887	-	142,887	-
Accounts	-	398,319	398,319	-
Miscellaneous	124,835	128,205	253,040	-
Internal balances	29,519	(29,519)	-	-
Prepaid expenses	-	-	-	-
Restricted assets:				
Cash and investments	-	564,382	564,382	-
Certificates of deposit	-	216,673	216,673	-
Capital assets:				
Nondepreciable	126,024	458,316	584,340	-
Depreciable, net of accumulated depreciation	5,249,184	7,319,240	12,568,424	-
Total Assets	<u>7,232,915</u>	<u>11,229,598</u>	<u>18,462,513</u>	<u>97,786</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows Related to Pensions	79,435	24,261	103,696	-
Total Deferred Outflows of Resources	<u>79,435</u>	<u>24,261</u>	<u>103,696</u>	<u>-</u>
LIABILITIES:				
Accounts payable	16,598	111,213	127,811	26,986
Payroll liabilities	76,211	25,506	101,717	-
Court costs and bonds payable	60,919	-	60,919	-
Current Liabilities Payable from Restricted Assets:				
Interest payable	18,165	11,291	29,456	-
Customer deposits	-	124,527	124,527	-
Noncurrent liabilities:				
Due Within One Year	523,332	417,302	940,634	-
Due in More Than One Year	3,841,640	2,316,159	6,157,799	-
Total Liabilities	<u>4,536,865</u>	<u>3,005,998</u>	<u>7,542,863</u>	<u>26,986</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows Related to Pensions	41,700	16,113	57,813	-
Total Deferred Inflows of Resources	<u>41,700</u>	<u>16,113</u>	<u>57,813</u>	<u>-</u>
NET POSITION:				
Investments in Capital Assets, Net of Debt	1,224,207	5,813,727	7,037,934	-
Restricted Net Assets (Expendable)				
Debt service	59,927	-	59,927	-
Municipal court	42,214	-	42,214	-
Police	34,929	-	34,929	-
Tourism	22,629	-	22,629	-
Impact fees	-	410,719	410,719	-
Public educational governmental fees	30,350	-	30,350	-
Unrestricted Net Position	1,319,529	2,007,302	3,326,831	70,800
Total Net Position	<u>\$ 2,733,785</u>	<u>\$ 8,231,748</u>	<u>\$ 10,965,533</u>	<u>\$ 70,800</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILLOW PARK, TEXAS
Statement of Activities
For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
Administration	\$ 301,472	\$ -	\$ -	\$ -
Development services	241,512	368,774	-	-
Legislative	83,520	-	-	-
Municipal court	113,563	16,235	-	-
Police	1,119,734	240,014	785	-
Fire and rescue	723,845	-	66,701	341,156
Public works parks & roads	424,154	-	439	-
Tourism	9,137	-	120	-
Interest on long-term debt	84,763	-	-	-
Total governmental activities	3,101,700	625,023	68,045	341,156
Business-type activities:				
Water	1,431,705	1,730,784	-	35,471
Wastewater	444,533	362,158	-	171,300
Solid Waste	170,555	227,540	-	-
Total business-type activities	2,046,793	2,320,482	-	206,771
Total primary government	\$ 5,148,493	\$ 2,945,505	\$ 68,045	\$ 547,927
Component Unit				
Fire and Rescue	\$ 425,368	\$ -	\$ 20,304	\$ -
	<u>\$ 425,368</u>	<u>\$ -</u>	<u>\$ 20,304</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales and use

Franchise

Hotel occupancy tax

Investment Earnings

Gain (loss) on sale of capital assets

Other revenue

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Exhibit B-1

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Willow Park Fire and Rescue
\$ (301,472)	\$ -	\$ (301,472)	\$ -
127,262	-	127,262	-
(83,520)	-	(83,520)	-
(97,328)	-	(97,328)	-
(878,935)	-	(878,935)	-
(315,988)	-	(315,988)	-
(423,715)	-	(423,715)	-
(9,017)	-	(9,017)	-
(84,763)	-	(84,763)	-
<u>(2,067,476)</u>	<u>-</u>	<u>(2,067,476)</u>	<u>-</u>
-	334,550	334,550	-
-	88,925	88,925	-
-	56,985	56,985	-
<u>-</u>	<u>480,460</u>	<u>480,460</u>	<u>-</u>
<u>\$ (2,067,476)</u>	<u>\$ 480,460</u>	<u>\$ (1,587,016)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (405,064)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (405,064)</u>
\$ 1,084,127	\$ -	\$ 1,084,127	\$ -
532,311	-	532,311	-
808,638	-	808,638	-
257,263	-	257,263	-
16,209	-	16,209	-
2,977	1,393	4,370	8
-	4,558	4,558	-
60,385	-	60,385	9,366
<u>2,761,910</u>	<u>5,951</u>	<u>2,767,861</u>	<u>9,374</u>
694,434	486,411	1,180,845	(395,690)
2,093,859	7,765,767	9,859,626	466,490
(54,508)	(20,430)	(74,938)	-
<u>\$ 2,733,785</u>	<u>\$ 8,231,748</u>	<u>\$ 10,965,533</u>	<u>\$ 70,800</u>

CITY OF WILLOW PARK, TEXAS
Balance Sheet
Governmental Funds
September 30, 2015

	<u>General</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets:				
Cash and cash equivalents	\$ 964,822	\$ 65,564	\$ 137,344	\$ 1,167,730
Certificates of deposit	239,107	-	-	239,107
Receivables (Net of allowances for uncollectibles)				
Property taxes	8,178	4,014	-	12,192
Sales taxes	141,437	-	-	141,437
Franchise taxes	142,887	-	-	142,887
Miscellaneous	120,456	-	4,379	124,835
Due from other funds	21,005	8,514	357	29,876
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,637,892</u>	<u>\$ 78,092</u>	<u>\$ 142,080</u>	<u>\$ 1,858,064</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16,598	\$ -	\$ -	\$ 16,598
Payroll liabilities	76,211	-	-	76,211
Court costs and bonds payable	60,919	-	-	60,919
Due to other funds	357	-	-	357
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>154,085</u>	<u>-</u>	<u>-</u>	<u>154,085</u>
Deferred inflows of resources:				
Deferred revenue	253,591	4,013	-	257,604
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>253,591</u>	<u>4,013</u>	<u>-</u>	<u>257,604</u>
Fund balances:				
Restricted	30,350	74,079	99,772	204,201
Committed			42,308	42,308
Unassigned	1,199,866	-	-	1,199,866
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,230,216</u>	<u>74,079</u>	<u>142,080</u>	<u>1,446,375</u>
Total liabilities, deferred inflows of resources and fund balances				
	<u>\$ 1,637,892</u>	<u>\$ 78,092</u>	<u>\$ 142,080</u>	<u>\$ 1,858,064</u>

CITY OF WILLOW PARK, TEXAS
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
September 30, 2015

Total Fund Balances - Governmental Funds \$ 1,446,375

Capital assets used in governmental activities are not financial resources and therefore are reported in the governmental funds. The cost of these assets was \$8,377,580 and the accumulated depreciation was \$3,002,372. 5,375,208

Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. The details of these differences are as follows:

Interest payable	(18,165)	
General obligation bonds	(3,680,000)	
Premium on general obligation bonds	(202,434)	
Capital leases	(268,567)	
Compensated absences	<u>(101,585)</u>	
		(4,270,751)

Certain receivables are not available soon enough to pay for the current period's expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. The details of these differences are as follows:

Property taxes	12,191	
Court fines	120,456	
Franchise taxes	<u>124,957</u>	
		257,604

Included in the items related to noncurrent liabilities is the recognition of the City's net pension liability in the amount of \$112,386, a deferred resource outflow related to pensions of \$79,435 and a deferred resource inflow related to pensions of \$41,700. This resulted in a decrease to net position. (74,651)

Net Position of Governmental Activities \$ 2,733,785

CITY OF WILLOW PARK, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2015

	General	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 1,082,200	\$ 531,365	\$ -	\$ 1,613,565
Sales and use	808,638	-	-	808,638
Franchise	248,218	-	-	248,218
Hotel occupancy tax	-	-	16,209	16,209
Court fines and fees	224,818	-	16,235	241,053
Licenses and permits	368,774	-	-	368,774
Investment Earnings	2,950	-	27	2,977
Contributions	67,925	-	120	68,045
Other revenue	58,100	-	2,285	60,385
Total revenues	<u>2,861,623</u>	<u>531,365</u>	<u>34,876</u>	<u>3,427,864</u>
EXPENDITURES				
Current				
Administration	285,327	-	-	285,327
Development services	240,310	-	-	240,310
Legislative	82,610	-	-	82,610
Municipal court	110,475	-	1,281	111,756
Police	1,091,091	-	4,630	1,095,721
Fire and rescue	678,220	-	-	678,220
Public works parks & roads	635,297	-	-	635,297
Tourism	-	-	9,137	9,137
Debt service:				
Principal	95,130	360,000	-	455,130
Interest and fiscal charges	4,945	106,800	-	111,745
Total expenditures	<u>3,223,405</u>	<u>466,800</u>	<u>15,048</u>	<u>3,705,253</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (361,782)</u>	<u>\$ 64,565</u>	<u>\$ 19,828</u>	<u>\$ (277,389)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	42,285	42,285
Transfers out	(42,285)	-	-	(42,285)
Issuance of capital lease	108,209	-	-	108,209
Total other financing sources (uses)	<u>65,924</u>	<u>-</u>	<u>42,285</u>	<u>108,209</u>
NET CHANGE IN FUND BALANCES	(295,858)	64,565	62,113	(169,180)
FUND BALANCE, OCTOBER 1, 2014	<u>1,526,074</u>	<u>9,514</u>	<u>79,967</u>	<u>1,615,555</u>
FUND BALANCE, SEPTEMBER 30, 2015	<u>\$ 1,230,216</u>	<u>\$ 74,079</u>	<u>\$ 142,080</u>	<u>\$ 1,446,375</u>

CITY OF WILLOW PARK, TEXAS
Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances of
The Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2015

Total Net Change in Fund Balances - Governmental Funds		\$ (169,180)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$593,417 of capital outlays and \$455,130 of debt principal payments is to increase net assets.		1,048,547
During the year capital assets costing \$1,228,580 less accumulated depreciation of \$684,554 were transferred to the City from the Willow Park Fire and Rescue. The City also refinanced a \$202,870 capital lease of the Willow Park Fire and Rescue. This resulted in an increase in capital assets.		341,156
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(427,093)
Current year capital leases are other financing sources in the fund financial statements. The increase in long-term debt is a decrease in net position.		(108,209)
Certain liabilities are not due and payable in the current period and, therefore are not reported as liabilities in the funds. Changes in these balances are reported as expenses in the governmental activities of the Statement of Activities.		
Interest payable	(2,942)	
Premium on bonds	29,924	
Compensated absences	<u>(24,740)</u>	
		2,242
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.		27,114
The City recognized their net pension liability, deferred resource outflow related to pensions and deferred resource inflow related to pensions. The changes in these balances decreased net position.		(20,143)
Change in Net Position of Governmental Activities		<u><u>\$ 694,434</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILLOW PARK, TEXAS
Statement of Net Position
Proprietary Funds
September 30, 2015

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Totals</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 2,028,089	\$ 248	\$ 118,279	\$ 2,146,616
Certificates of deposit	-	27,366	-	27,366
Receivables (Net of allowance for uncollectibles):				
Accounts	303,465	58,564	36,290	398,319
Miscellaneous	13,575	114,630	-	128,205
Restricted Assets:				
Cash and cash equivalents	564,382	-	-	564,382
Certificates of deposit	216,673	-	-	216,673
Total current assets	<u>3,126,184</u>	<u>200,808</u>	<u>154,569</u>	<u>3,481,561</u>
Noncurrent Assets:				
Due from other funds	1,530,000	-	-	1,530,000
Capital assets, at cost:				
Non-depreciable capital assets	345,816	112,500	-	458,316
Depreciable capital assets	8,831,597	2,889,436	-	11,721,033
Less: accumulated depreciation	<u>(3,683,419)</u>	<u>(718,374)</u>	<u>-</u>	<u>(4,401,793)</u>
Capital assets, net	5,493,994	2,283,562	-	7,777,556
Total noncurrent assets	<u>7,023,994</u>	<u>2,283,562</u>	<u>-</u>	<u>9,307,556</u>
Total assets	<u>\$ 10,150,178</u>	<u>\$ 2,484,370</u>	<u>\$ 154,569</u>	<u>\$ 12,789,117</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	18,463	5,798	-	24,261
Total deferred outflows of resources	<u>18,463</u>	<u>5,798</u>	<u>-</u>	<u>24,261</u>
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 79,198	\$ 16,618	\$ 15,397	\$ 111,213
Payroll liabilities	17,765	7,741	-	25,506
Due to other funds	29,519	-	-	29,519
Compensated absences	29,967	4,291	-	34,258
Current portion of long-term liabilities	368,368	14,676	-	383,044
Current Liabilities Payable from Restricted Assets:				
Interest payable	11,291	-	-	11,291
Customer deposits payable	124,527	-	-	124,527
Total current liabilities	<u>660,635</u>	<u>43,326</u>	<u>15,397</u>	<u>719,358</u>
Noncurrent Liabilities:				
Due to other funds	-	1,530,000	-	1,530,000
Accrued administrative penalty	-	1,223	-	1,223
Net Pension Liability	33,796	9,629	-	43,425
Capital lease payable	125,948	-	-	125,948
Bonds payable	2,145,563	-	-	2,145,563
Total noncurrent liabilities	<u>2,305,307</u>	<u>1,540,852</u>	<u>-</u>	<u>3,846,159</u>
Total liabilities	<u>2,965,942</u>	<u>1,584,178</u>	<u>15,397</u>	<u>4,565,517</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	12,540	3,573	-	16,113
Total deferred inflows of resources	<u>12,540</u>	<u>3,573</u>	<u>-</u>	<u>16,113</u>
NET POSITION:				
Investment in capital assets, net of debt	3,530,165	2,283,562	-	5,813,727
Restricted impact fees (Expendable)	408,771	1,948	-	410,719
Unrestricted	3,251,223	(1,383,093)	139,172	2,007,302
Total net position	<u>\$ 7,190,159</u>	<u>\$ 902,417</u>	<u>\$ 139,172</u>	<u>\$ 8,231,748</u>

CITY OF WILLOW PARK, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2015

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Totals</u>
Operating revenues:				
Charges for services	\$ 1,640,563	\$ 357,872	\$ 227,538	\$ 2,225,973
Tap fees	19,961	2,338	-	22,299
Impact fees	6,341	1,948	-	8,289
Other fees	63,919	-	2	63,921
	<u>1,730,784</u>	<u>362,158</u>	<u>227,540</u>	<u>2,320,482</u>
Total operating revenue				
Operating expenses:				
Personnel	444,788	140,207	11,001	595,996
Supplies	234,234	73,954	273	308,461
Contractual services	298,270	164,817	159,085	622,172
Utilities	133,398	22,556	-	155,954
Bad debts	4,154	297	196	4,647
Depreciation	259,573	42,702	-	302,275
	<u>1,374,417</u>	<u>444,533</u>	<u>170,555</u>	<u>1,989,505</u>
Total operating expenses				
Operating income (loss)	<u>356,367</u>	<u>(82,375)</u>	<u>56,985</u>	<u>330,977</u>
Nonoperating revenues (expenses):				
Investment earnings	1,320	42	31	1,393
Interest expense	(57,288)	-	-	(57,288)
Gain or (loss) on disposal of assets	3,946	612	-	4,558
	<u>(52,022)</u>	<u>654</u>	<u>31</u>	<u>(51,337)</u>
Total nonoperating revenues (expenses)				
Income (loss) before contributions and transfers	304,345	(81,721)	57,016	279,640
Capital contributions and transfers:				
Capital Contributions	35,471	171,300	-	206,771
	<u>35,471</u>	<u>171,300</u>	<u>-</u>	<u>206,771</u>
Total capital contributions and transfers				
Change in Net Position	339,816	89,579	57,016	486,411
Net Position, October 1, 2014	6,866,238	817,373	82,156	7,765,767
Prior Period Adjustment	(15,895)	(4,535)	-	(20,430)
Net Position, September 30, 2015	<u>\$ 7,190,159</u>	<u>\$ 902,417</u>	<u>\$ 139,172</u>	<u>\$ 8,231,748</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILLOW PARK, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Water	Wastewater	Solid Waste	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 1,665,168	\$ 355,773	\$ 221,022	\$ 2,241,963
Cash paid to suppliers	(729,628)	(276,734)	(185,667)	(1,192,029)
Cash paid to employees	(418,037)	(135,387)	-	(553,424)
Cash paid to other	-	(220,000)	-	(220,000)
Net cash provided by operating activities	<u>517,503</u>	<u>(276,348)</u>	<u>35,355</u>	<u>276,510</u>
Cash flow from capital and related financing activities:				
Interfund loans	(652,774)	652,774	-	-
Proceeds from issuance of bonds	-	-	-	-
Principal payments on long-term debt	(327,142)	-	-	(327,142)
Capital grants and contributions	1,871	5,640	-	7,511
Capital expenditures	(261,263)	(577,141)	-	(838,404)
Proceeds from disposal of capital assets	3,946	612	-	4,558
Interest paid on long-term debt	(73,205)	-	-	(73,205)
Net cash (used) by capital and related financing activities	<u>(1,308,567)</u>	<u>81,885</u>	<u>-</u>	<u>(1,226,682)</u>
Cash flow from investing activities:				
Investment earnings	1,320	42	31	1,393
Proceeds from maturities of certificates of deposits	467,401	-	-	467,401
Net cash provided by investing activities	<u>468,721</u>	<u>42</u>	<u>31</u>	<u>468,794</u>
Net increase (decrease) in cash and cash equivalents	(322,343)	(194,421)	35,386	(481,378)
Cash and cash equivalents, beginning	2,914,814	194,669	82,893	3,192,376
Cash and cash equivalents, ending	<u>\$ 2,592,471</u>	<u>\$ 248</u>	<u>\$ 118,279</u>	<u>\$ 2,710,998</u>
Reconciliation of Operating Income to				
Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 356,367	\$ (82,375)	\$ 56,985	\$ 330,977
Adjustments to reconcile operating income to				
net cash provided (used) by operating activities:				
Depreciation expense	259,573	42,702	-	302,275
(Increase) decrease in accounts receivable	(75,382)	(6,088)	(6,322)	(87,792)
Increase (decrease) in accounts payable	(63,726)	(731)	(15,308)	(79,765)
Increase (decrease) in payroll liabilities	5,309	3,981	-	9,290
Increase (decrease) in customer meter deposits	13,920	-	-	13,920
Increase (decrease) in accrued administrative penalty	-	(14,676)	-	(14,676)
Increase (decrease) in compensated absences payable	9,464	(2,030)	-	7,434
Increase (decrease) in lawsuit settlement payable	-	(220,000)	-	(220,000)
Increase (decrease) in pension related balances	11,978	2,869	-	14,847
Total adjustments	<u>161,136</u>	<u>(193,973)</u>	<u>(21,630)</u>	<u>(54,467)</u>
Net cash provided by operating activities	<u>\$ 517,503</u>	<u>\$ (276,348)</u>	<u>\$ 35,355</u>	<u>\$ 276,510</u>
Noncash Investing, Capital and Financing Activities				
Capital assets acquired with a capital lease	<u>\$ 156,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,458</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Discretely Presented Component Unit

The Willow Park Fire and Rescue is a 501(c)4 non-profit organization responsible for providing fire and rescue services in the City. The organization is governed by a 5 member board of directors that is not appointed by the City Council. The organization functions independently of the City however the City provides payroll and bookkeeping services for the organization. The Willow Park Fire and Rescue is financially dependent on the City to provide revenue. Effective October 1, 2014, the employees and capital assets of the Willow Park Fire and Rescue were transferred to the City of Willow Park. Willow Park Fire and Rescue does not issue separate financial statements.

B. Government-wide and Fund Financial Statements

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

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

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales and use taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives payment.

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

The City reports the following major governmental funds:

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

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports the following major proprietary fund:

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

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

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

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

Proprietary funds, distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities and Net Assets or Equity

1. *Cash and Cash Equivalents*

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

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

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

2. *Receivables and Payables*

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Enterprise funds accounts receivable aged 90 days or more comprise the allowance for uncollectible accounts of \$179,013. The property tax receivable and municipal court allowances of \$12,191 and \$1,084,108 are equal to 50% and 90% respectively of the outstanding balances at September 30, 2015.

3. *Unbilled Service*

Utility operating revenues (water, wastewater, and solid waste) are billed on monthly cycles. The City records estimated revenues for services delivered during the fiscal year, which will be billed during the next fiscal year. Unbilled service reported in accounts receivable of the enterprise funds was \$124,399 at September 30, 2015.

4. *Prepaid Expenses*

Payments made for services that will benefit periods beyond September 30, 2015, are recorded as prepaid expenses in both the government-wide and fund financial statements.

5. *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities and proprietary funds are included as part of the capitalized value of the assets constructed. The total interest expense incurred by the water fund during the current fiscal year was \$57,288. Of this amount \$0 was included as part of the cost of capital assets under construction in connection with water and sewer construction projects. Property, plant and equipment of the primary government and component unit are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 - 40 years
Furniture and equipment	5 - 10 years
Vehicles	5 years
Infrastructure	20 years
Water and wastewater systems	25 - 40 years

6. *Compensated Absences*

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

7. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

8. *Long-term Obligations*

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

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

9. *Fund Balance – Governmental Funds*

In the fund financial statements, governmental funds report the following classifications of fund balance:

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

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

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

Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – All amounts not included in other spendable classifications.

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

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

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Restricted:				
Debt service	\$ -	\$ 74,079	\$ -	\$ 74,079
Municipal court	-	-	42,214	42,214
Police	-	-	34,929	34,929
Tourism	-	-	22,629	22,629
Public educational governmental fees	30,350	-	-	30,350
Committed:				
Equipment replacement			42,308	42,308
Unassigned	1,199,866	-	-	1,199,866
	<u>\$ 1,230,216</u>	<u>\$ 74,079</u>	<u>\$ 142,080</u>	<u>\$ 1,446,375</u>

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

The City Council adopted a minimum fund balance policy for the general fund. The policy requires the City to strive to maintain an unassigned fund balance in the general fund of 75 days of annual budgeted expenditures. At the end of the year, the unassigned fund balance of \$1,199,866 was \$553,371 above the minimum fund balance requirement of \$646,495.

10. Net Position

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

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

11. Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance. At September 30, 2015, the City's deposits were covered by FDIC Insurance or collateralized with securities held by the bank's agent in the City's name.

B. Investments

The City's investment policy authorizes the City to invest in obligations of the United States and its agencies and instrumentalities; direct obligations of the State of Texas and agencies thereof; other obligations, the principal and interest on which are unconditionally guaranteed by the State of Texas or United States; obligations of the states, agencies, counties, cities and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm, and having received a rating of not less than "A" or its equivalent; secured certificates of deposit of state and national banks domiciled in Texas; fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies; and joint pools of political subdivisions in the State of Texas. Investments are stated at fair value except for short-term highly liquid investments which are stated at cost or amortized cost. During the year ended September 30, 2015, the City did not own any types of securities other than those permitted by statute.

The City invests idle funds in the Texas Short Term Asset Reserve Fund (TexSTAR). TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investment pool operates in a manner consistent with the SEC's Rule 2A7 of the Investment Act of 1940. The Pool is required to maintain a market value of its underlying investment portfolio within one half of one percent of the values of its shares.

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by its investment policy.

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages its risk of market price changes by avoiding over-concentration of assets in specific maturity sectors, limitation of average maturity of operating funds investments to one year, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities and insured or collateralized certificates of deposit.

The City’s investments at September 30, 2015 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Weighted Average Maturities</u>	<u>Percentage of Total Investments</u>	<u>Cost</u>	<u>Fair Value</u>
TexSTAR Pool	AAAm	46 days	100.00%	\$ 1,855,302	\$ 1,855,302
				<u>\$ 1,855,302</u>	<u>\$ 1,855,302</u>

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

C. Restricted Assets

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

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Enterprise Funds			
Customer deposits	\$ -	\$ 105,005	\$ 105,005
2003 bond funds	-	111,668	111,668
2014 bonds	564,382	-	564,382
Total	<u>\$ 564,382</u>	<u>\$ 216,673</u>	<u>\$ 781,055</u>

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 3: PROPERTY TAX

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

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

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

NOTE 4: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies in this category. Deferred outflows related to pensions reported in the government-wide statement of net position and proprietary funds statement of net position.

In addition to liabilities, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The City has two types of items in this category: unavailable revenues for the governmental funds and deferred inflows related to pensions in the government-wide statement of net position and proprietary funds statements. At the end of the fiscal year, the various components of deferred inflows of in the governmental funds were as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Property taxes receivable	\$ 8,178	\$ 4,013	\$ 12,191
Franchise tax receivable	124,957		124,957
Court fines and fees receivable	120,456		120,456
Total deferred revenue	<u>\$ 253,591</u>	<u>\$ 4,013</u>	<u>\$ 257,604</u>

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 5: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2015, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
Other governmental funds	General	42,285	Equipment replacement
Total Governmental Funds Transfers In		<u>\$ 42,285</u>	

The composition of interfund receivables and payables for the City's individual major funds and nonmajor funds at September 30, 2015, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 21,005
Debt Service	Water	8,514
Other governmental funds	General	357
Total Governmental Funds		<u>\$ 29,519</u>
Water	Wastewater	<u>\$ 1,530,000</u>

The debt service fund receivable is due to transfers from the water fund for debt service that were less than the water fund's share of the debt service payment. The general fund receivable is due to 2014 bond issuance costs paid by the general fund for the water fund.

The water fund loaned the wastewater fund for lift station improvements and working capital. The loan is to be repaid in annual installments over 20 years at 0% interest.

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Non - Depreciable Assets:					
Land	\$ 126,024	\$ -	\$ -	\$ -	\$ 126,024
Construction in progress	21,650		(21,650)	-	-
Total non-depreciable assets	<u>147,674</u>	<u>-</u>	<u>(21,650)</u>	<u>-</u>	<u>126,024</u>
Depreciable Assets:					
Buildings and improvements	416,902	-	-	131,069	547,971
Furniture and equipment	238,824	-	-	176,549	415,373
Vehicles	394,640	140,137	-	889,034	1,423,811
Infrastructure	5,357,543	506,858	-	-	5,864,401
Total capital assets being depreciated	<u>6,407,909</u>	<u>646,995</u>	<u>-</u>	<u>1,196,652</u>	<u>8,251,556</u>
Accumulated Depreciation:					
Buildings and improvements	(132,823)	(15,200)	-	(18,355)	(166,378)
Furniture and equipment	(163,801)	(32,744)	-	(82,062)	(278,607)
Vehicles	(275,781)	(108,104)	-	(584,137)	(968,022)
Infrastructure	(1,318,320)	(271,045)	-	-	(1,589,365)
Total accumulated depreciation	<u>(1,890,725)</u>	<u>(427,093)</u>	<u>-</u>	<u>(684,554)</u>	<u>(3,002,372)</u>
Governmental activities capital assets, net	<u>\$ 4,664,858</u>	<u>\$ 219,902</u>	<u>\$ (21,650)</u>	<u>\$ 512,098</u>	<u>\$ 5,375,208</u>

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 6: CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Non - Depreciable Assets:					
Land	\$ 383,897	\$ -	\$ -	\$ -	\$ 383,897
Construction in Progress	1,039,831	-	(965,412)	-	74,419
Total non-depreciable assets	<u>1,423,728</u>	<u>-</u>	<u>(965,412)</u>	<u>-</u>	<u>458,316</u>
Depreciable Assets:					
Buildings and improvements	79,050	-	-	-	79,050
Furniture and equipment	155,936	161,531	-	-	317,467
Vehicles	230,003	156,458	(28,302)	-	358,159
Water system	8,004,850	106,085	-	-	8,110,935
Wastewater system	1,498,196	1,357,226	-	-	2,855,422
Total capital assets being depreciated	<u>9,968,035</u>	<u>1,781,300</u>	<u>(28,302)</u>	<u>-</u>	<u>11,721,033</u>
Accumulated Depreciation:					
Buildings and improvements	(19,622)	(1,976)	-	-	(21,598)
Furniture and equipment	(125,699)	(21,725)	-	-	(147,424)
Vehicles	(193,763)	(32,264)	28,302	-	(197,725)
Water system	(3,130,904)	(205,577)	-	-	(3,336,481)
Wastewater system	(657,832)	(40,733)	-	-	(698,565)
Total accumulated depreciation	<u>(4,127,820)</u>	<u>(302,275)</u>	<u>28,302</u>	<u>-</u>	<u>(4,401,793)</u>
Business-type activities capital assets, net	<u>\$ 7,263,943</u>	<u>\$ 1,479,025</u>	<u>\$ (965,412)</u>	<u>\$ -</u>	<u>\$ 7,777,556</u>
Component Unit:					
Depreciable Assets:					
Buildings and improvements	\$ 131,069	\$ -	\$ -	\$ (131,069)	\$ -
Furniture and equipment	1,065,583	-	-	(1,065,583)	-
Total capital assets being depreciated	<u>1,196,652</u>	<u>-</u>	<u>-</u>	<u>(1,196,652)</u>	<u>-</u>
Accumulated Depreciation:					
Buildings and improvements	(18,356)	-	-	18,356	-
Furniture and equipment	(666,198)	-	-	666,198	-
Total accumulated depreciation	<u>(684,554)</u>	<u>-</u>	<u>-</u>	<u>684,554</u>	<u>-</u>
Component unit capital assets, net	<u>\$ 512,098</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (512,098)</u>	<u>\$ -</u>

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 6: CAPITAL ASSETS (Continued)

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

Governmental activities:	
Administration	\$ 12,425
Development services	1,086
Legislative	265
Municipal court	498
Police	51,243
Fire and rescue	87,511
Public works parks & roads	274,065
Total depreciation expense - governmental activities	<u>\$ 427,093</u>
Business-type activities:	
Water	\$ 259,573
Wastewater	42,702
Total depreciation expense - business-type activities	<u>\$ 302,275</u>

NOTE 7: LONG-TERM LIABILITIES

A. Capital Leases Payable

Governmental Activities:

In October 2014 the City refinanced the lease for the Willow Park Fire and Rescue fire truck for \$202,870. The lease is due in annual installments of \$31,918 including interest at 2.981% through February 15, 2021. The lease is secured by the 2010 Peirce Fire Truck.

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

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

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

A. Capital Leases Payable (Continued)

Total capital assets acquired through capital leases were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets:		
Vehicles	\$ 375,647	\$ 156,458
Less: accumulated depreciation	(117,601)	(14,342)
Total	<u>\$ 258,046</u>	<u>\$ 142,116</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2016	\$ 45,466	\$ 18,419
2017	45,466	18,419
2018	45,466	18,419
2019	45,466	18,419
2020	45,466	18,419
2021 - 2024	77,225	73,675
Total minimum lease payments	304,555	165,770
Less: interest portion	(35,988)	(26,454)
Obligations under capital lease	<u>\$ 268,567</u>	<u>\$ 139,316</u>

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

B. Bonds Payable

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
\$2,665,000; 2010 Refunding bond due in annual installments through February 15, 2021 at interest rates ranging from 2.0% to 4.0%.	\$ 360,000	\$ 950,000
\$5,135,000; 2012 Refunding bond due in annual installments through February 15, 2023 at interest rates ranging from 2.0% to 3.0%.	3,320,000	765,000
\$685,000; 2014 Combination tax and revenue certificates of obligation due in annual installments through February 15, 2035 at interest rates ranging from 0.00% to 2.59%.	-	685,000
	<u>\$ 3,680,000</u>	<u>\$ 2,400,000</u>

The annual debt service requirements to maturity for bonds outstanding as of September 30, 2015, are as follows:

Bonds Payable Year Ending September 30,	Governmental Activities			Business-type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 385,000	\$ 98,825	\$ 483,825	\$ 355,000	\$ 62,213	\$ 417,213
2017	405,000	90,100	495,100	365,000	51,988	416,988
2018	425,000	80,700	505,700	380,000	40,138	420,138
2019	455,000	68,775	523,775	190,000	31,338	221,338
2020	485,000	54,050	539,050	195,000	25,699	220,699
2021 - 2025	1,525,000	68,825	1,593,825	540,000	64,176	604,176
2026 - 2030	-	-	-	175,000	34,053	209,053
2031 - 2035	-	-	-	200,000	12,628	212,628
	<u>\$ 3,680,000</u>	<u>\$ 461,275</u>	<u>\$ 4,141,275</u>	<u>\$ 2,400,000</u>	<u>\$ 322,233</u>	<u>\$ 2,722,233</u>

C. Administrative Penalty

In 2013 the City was assessed a \$44,038 penalty by the Texas Commission on Environmental Quality for violations at the wastewater treatment facility. The City has made 23 of 36 payments of \$1,223 and will continue to pay the balance in 11 monthly payments of \$1,223 with no interest.

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

D. Changes in Long-term Liabilities

Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 4,040,000	\$ -	\$ 360,000	\$ 3,680,000	\$ 385,000
Bond premiums	232,358	-	29,924	202,434	-
Total bonds payable	<u>4,272,358</u>	<u>-</u>	<u>389,924</u>	<u>3,882,434</u>	<u>385,000</u>
Capital leases	52,618	311,079	95,130	268,567	36,747
Compensated absences	76,845	101,585	76,845	101,585	101,585
Net pension liability	-	112,386	-	112,386	-
Total Governmental Activities	<u>\$ 4,401,821</u>	<u>\$ 525,050</u>	<u>\$ 561,899</u>	<u>\$ 4,364,972</u>	<u>\$ 523,332</u>
Business-type Activities:					
Certificates of obligation	\$ 685,000	\$ -	\$ -	\$ 685,000	\$ 30,000
General obligation bonds	2,025,000	-	310,000	1,715,000	325,000
Bond premiums	118,295	-	17,732	100,563	-
Total bonds payable	<u>2,828,295</u>	<u>-</u>	<u>327,732</u>	<u>2,500,563</u>	<u>355,000</u>
Capital leases	-	156,458	17,142	139,316	13,368
Accrued administrative penalty	30,575	-	14,676	15,899	14,676
Compensated absences	35,482	34,258	35,482	34,258	34,258
Net pension liability	-	43,425	-	43,425	-
Total Business-type Activities	<u>\$ 2,894,352</u>	<u>\$ 234,141</u>	<u>\$ 395,032</u>	<u>\$ 2,733,461</u>	<u>\$ 417,302</u>
Fire and Rescue					
Notes payable	\$ 195,538	\$ -	\$ 195,538	\$ -	\$ -
Total Fire and Rescue	<u>\$ 195,538</u>	<u>\$ -</u>	<u>\$ 195,538</u>	<u>\$ -</u>	<u>\$ -</u>
Total Long-term Liabilities	<u>\$ 7,491,711</u>	<u>\$ 759,191</u>	<u>\$ 1,152,469</u>	<u>\$ 7,098,433</u>	<u>\$ 940,634</u>

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

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 8: RISK MANAGEMENT

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

NOTE 9: RETIREMENT PLAN

A. PLAN DESCRIPTION

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

B. BENEFITS PROVIDED

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

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

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 9: RETIREMENT PLAN (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City for 2015 and 2014 were as follows:

Plan year	2015	2014
Employee deposit rate	7%	5%
Matching ratio (city to employee)	2 to 1	1 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0	0
Annuity Increase (to retirees)	0% of CPI	0% of CPI

EMPLOYEES COVERED BY BENEFIT TERMS

Employees covered by benefit terms

Inactive employees or beneficiaries currently receiveing benefits	3
Inactive employees entitled to but not receiving benefits	32
Active employees	<u>42</u>
	77

C. CONTRIBUTIONS

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

Employees for the City were required to contribute 5% for 2014 and 7% for 2015 of their annual gross earnings during the fiscal year. The contribution rates for the City were 2.03% and 7.13% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015, were \$106,037, and were equal to the required contributions.

D. NET PENSION LIABILITY

The city's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 9: RETIREMENT PLAN (Continued)

ACTUARIAL ASSUPMTIONS:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Rates are multiplied by a factor of 100%, which adds an additional layer of conservatism. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 9: RETIREMENT PLAN (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Comestic Equity	17.50%	4.80%
Internaitonal Equity	17.50%	6.05%
Core-Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	100.00%	

DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN THE NET PENSION LIABILITY

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at 12/31/2013	\$ 715,372	\$ 618,481	\$ 96,891
Changes for the Year			
Service Cost	88,122		88,122
Interest	60,307		60,307
Change of benefit terms	122,676.00		122,676
Difference between expected and actual performance	(71,540)		(71,540)
Changes of assumptions	0		0
Contributions- employer		30,615	(30,615)
Contributions- employee		75,037	(75,037)
Net investment income		35,393	(35,393)
Benefit payments, including refunds of employee contributions	(41,148)	(41,148)	0
Administrative expense		(369)	369
Other changes		(30)	30
Net Changes	158,417	99,498	58,919
Balance at 12/31/2014	\$ 873,789	\$ 717,979	\$ 155,810

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 9: RETIREMENT PLAN (Continued)

SENSITIVITY OF THE NET POSITION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>1% Decrease in Discount Rate (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase in Discount Rate (8.0%)</u>
City's net pension liability	\$278,270	\$155,810	\$52,282

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

E. PENSION EXPENSE AND DEFEERED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2015, the city recognized pension expense of \$141,026.

At September 30, 2015 the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in expected and actual experience	\$ -	\$ 57,813
Differenice in assumptions changes	-	-
Differences in projected and actual invetment earnings	6,321	-
Contributions subsequent to the measurement date	97,375	-
Total	<u>\$ 103,696</u>	<u>\$ 57,813</u>

\$97,375 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 9: RETIREMENT PLAN (Continued)

Year ended September 30:

	Net deferred outflows (inflows) of resources
2016	\$ (12,147)
2017	(12,147)
2018	(12,147)
2019	(12,146)
2020	(2,905)
Thereafter	-
	\$ (51,492)

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Supplemental Death Benefits Fund

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

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit" or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. The city's contributions to the TMRS SDBF for the years ended 2015, 2014, and 2013 of \$2,232, \$1,597 and \$1,348, respectively, were equal to the required contributions each year.

CITY OF WILLOW PARK, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 11: CONTINGENT LIABILITIES

Litigation

July 2011 a suit was filed against the city alleging payment was due for professional engineering services. The suit went to trial in March 2015. A jury awarded the plaintiff \$183,280 plus interest. \$220,000 was accrued as a liability in the wastewater fund for the year ended September 30, 2014. In April 2015 the City paid the \$220,000 in final settlement of the lawsuit.

NOTE 12: CONTRACTS AND COMMITMENTS

A. Construction Commitments

September 9, 2014, the City awarded an \$806,297 contract for water line rehabilitation. Construction had not started at September 30, 2015. The project will be funded with the 2014 combination tax and revenue certificates of obligation.

NOTE 13: SUBSEQUENT EVENTS

November 19, 2015, the City authorized the issuance and sale of \$1,400,000 City of Willow Park, Texas, Tax and Waterworks and Sewer System Revenue Certificates of Obligation, Series 2015, for the purchase of equipment, machinery, vehicles, materials and supplies for the public safety and public works departments and professional services rendered in relation to such projects.

March 8, 2016, the City authorized the issuance and sale of the 2016 Certificates of Obligation in the amount of \$995,000 to the Texas Water Development Board for phase 2 of the waterline replacement project.

May 7, 2016, voters approved issuing \$4,605,000 general obligation bonds for public safety facilities and \$2,275,000 general obligation bonds for street improvements.

Subsequent events were evaluated through June 10, 2016, which is the date the financial statements were available to be issued.

NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27*. This Statement was issued to improve the accounting and financial reporting by state and local governments for pensions. This Statement requires government-wide and proprietary fund statements to recognize a liability equal to the net pension liability and changes in the net pension liability be included in pension expense in the period of the change.

CITY OF WILLOW PARK, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The City implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB No. 68*. This Statement addresses issues related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Beginning net positions of the governmental activities and business-type activities was reduced by the following prior period adjustments:

	Governmental Activities	Business-type Activities	Total
Net Pension Liability (12/31/13 measurement date)	\$ (69,887)	\$ (27,004)	\$ (96,891)
Deferred Outflows of Resources	15,379	6,574	21,953
	<u>\$ (54,508)</u>	<u>\$ (20,430)</u>	<u>\$ (74,938)</u>

NOTE 15: FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several statements that will be effective in future years. The City has not yet determined the effect these statements will have on its financial reporting.

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* replaces the requirements of Statements No. 45 and No. 57 for accounting and financial reporting for postemployment benefits other than pensions. This Statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 77 *Tax Abatement Disclosures* will improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial users. This Statement is effective for fiscal years beginning after December 15, 2015.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WILLOW PARK, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2015

	Budget		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 1,252,338	\$ 1,113,170	\$ 1,082,200	\$ (30,970)
Sales and use	835,882	852,943	808,638	(44,305)
Franchise	301,803	306,336	248,218	(58,118)
Court fines and fees	198,350	198,350	224,818	26,468
Licenses and permits	160,150	189,350	368,774	179,424
Investment Earnings	-	-	2,950	2,950
Contributions	32,592	32,592	67,925	35,333
Other revenue	17,000	17,000	58,100	41,100
Total revenues	<u>2,798,115</u>	<u>2,709,741</u>	<u>2,861,623</u>	<u>151,882</u>
EXPENDITURES				
Current				
Administration	245,172	241,737	285,327	(43,590)
Development services	184,265	207,344	240,310	(32,966)
Legislative	156,581	145,681	82,610	63,071
Municipal court	135,386	132,986	110,475	22,511
Police	1,084,463	1,068,863	1,091,091	(22,228)
Fire and rescue	603,957	596,458	678,220	(81,762)
Public works parks & roads	222,866	610,031	635,297	(25,266)
Debt service:				
Principal	95,130	95,130	95,130	-
Interest and fiscal charges	4,945	4,945	4,945	-
Total expenditures	<u>2,732,765</u>	<u>3,103,175</u>	<u>3,223,405</u>	<u>(120,230)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>\$ 65,350</u>	<u>\$ (393,434)</u>	<u>\$ (361,782)</u>	<u>\$ 31,652</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,455	-	-	-
Transfers out	(67,805)	(67,805)	(42,285)	25,520
Issuance of capital lease	-	-	108,209	108,209
Total other financing sources (uses)	<u>(65,350)</u>	<u>(67,805)</u>	<u>65,924</u>	<u>133,729</u>
NET CHANGE IN FUND BALANCES				
	-	(461,239)	(295,858)	165,381
FUND BALANCE, OCTOBER 1, 2014				
	<u>1,526,074</u>	<u>1,526,074</u>	<u>1,526,074</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2015				
	<u>\$ 1,526,074</u>	<u>\$ 1,064,835</u>	<u>\$ 1,230,216</u>	<u>\$ 165,381</u>

CITY OF WILLOW PARK, TEXAS
Schedule of Changes in Net Pension Liability
and Related Ratios
For the Year Ended September 30, 2015

	2014
Total Pension Liability	
Service Cost	\$ 88,122
Interest (on the Total Pension Liability)	60,307
Changes of benefit terms	122,676
Differences between expected and actual experience	(71,540)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(41,148)
Net Change in Total Pension Liability	158,417
Total Pension Liability-Beginning	715,372
Total Pension Liability-Ending (a)	\$ 873,789
 Plan Fiduciary Net Position	
Contributions-Employer	30,615
Contributions-Employee	75,037
Net Investment Income	35,393
Benefit payments, including refunds of employee contributions	(41,148)
Administrative Expense	(369)
Other	(30)
Net Change in Plan Fiduciary Net Position	99,498
Plan Fiduciary Net Position-Beginning	618,481
Plan Fiduciary Net Position-Ending (b)	\$ 717,979
 Net Pension Liability-Ending	 \$ 155,810
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 82.17%
 Covered Employee Payroll	 \$ 1,500,744
 Net Pension Liability as a Percentage of Covered Employee Payroll	 10.38%

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

The notes to the required supplementary information are an integral part of this schedule.

CITY OF WILLOW PARK, TEXAS
Schedule of Employer Contributions
and Related Ratios
For the Year Ended September 30, 2015

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 27,362	\$ 106,037
Contributions in relation to the actuarially determined contribution	<u>\$ 27,362</u>	<u>\$ 106,037</u>
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 1,381,557	\$ 1,749,548
Contributions as a percentage of covered employee payroll	1.98%	6.06%

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

The notes to the required supplementary information are an integral part of this schedule.

CITY OF WILLOW PARK, TEXAS
Notes to Required Supplementary Information
September 30, 2015

1. Stewardship and Accountability

A. Budgetary Information

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

B. Excess of Expenditures Over Appropriations

The expenditures of the general fund were more than appropriations by \$120,230. \$108,209 of the negative budget variance was police and fire and rescue vehicles acquired with capital leases.

2. Defined Benefit Pension Plans

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes

- 1) Adopted buy-back provision.
- 2) Increased employee contribution rate from 5% to 7%.
- 3) Increased municipal matching ratio from 1-1 to 2-1.

**COMBINING NONMAJOR
GOVERNMENTAL FUND STATEMENTS**

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CITY OF WILLOW PARK, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2015

	Special Revenue Funds				Total Special Revenue	Capital Projects	Total Nonmajor Funds
	Court Security	Court Technology	Seizure Fund	Tourism Fund		Equipment Replacement	
Assets:							
Cash and cash equivalents	\$ 13,540	\$ 28,317	\$ 34,929	\$ 18,250	\$ 95,036	\$ 42,308	\$ 137,344
Receivables (Net of allowances for uncollectibles)							
Miscellaneous	-	-	-	4,379	4,379	-	4,379
Due from other funds	357	-	-	-	357	-	357
Total assets	\$ 13,897	\$ 28,317	\$ 34,929	\$ 22,629	\$ 99,772	\$ 42,308	\$ 142,080
Liabilities and fund balance:							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-
Fund balance:							
Restricted	13,897	28,317	34,929	22,629	99,772	-	99,772
Committed	-	-	-	-	-	42,308	42,308
Total fund balance	13,897	28,317	34,929	22,629	99,772	42,308	142,080
Total liabilities and fund balance	\$ 13,897	\$ 28,317	\$ 34,929	\$ 22,629	\$ 99,772	\$ 42,308	\$ 142,080

CITY OF WILLOW PARK, TEXAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended September 30, 2015

	Special Revenue Funds				Total Special Revenue	Capital Projects	Total Nonmajor Funds
	Court Security	Court Technology	Seizure Fund	Tourism Fund		Equipment Replacement	
Revenues:							
Hotel occupancy tax	\$ -	\$ -	\$ -	\$ 16,209	\$ 16,209	\$ -	\$ 16,209
Court fines and fees	6,819	9,416	-	-	16,235	-	16,235
Investment earnings	1	3	-	-	4	23	27
Contributions	-	-	-	120	120	-	120
Other	-	360	1,925	-	2,285	-	2,285
Total revenues	6,820	9,779	1,925	16,329	34,853	23	34,876
Expenditures:							
Current:							
Municipal court	-	1,281	-	-	1,281	-	1,281
Police	-	-	4,630	-	4,630	-	4,630
Tourism	-	-	-	9,137	9,137	-	9,137
Total expenditures	-	1,281	4,630	9,137	15,048	-	15,048
Excess (deficiency) of revenues over (under) expenditures	6,820	8,498	(2,705)	7,192	19,805	23	19,828
Other financing sources (uses):							
Transfers in	-	-	-	-	-	42,285	42,285
Total other financing sources (uses):	-	-	-	-	-	42,285	42,285
Net change in fund balances	6,820	8,498	(2,705)	7,192	19,805	42,308	62,113
Fund Balance, October 1, 2014	7,077	19,819	37,634	15,437	79,967	-	79,967
Fund Balance, September 30, 2015	\$ 13,897	\$ 28,317	\$ 34,929	\$ 22,629	\$ 99,772	\$ 42,308	\$ 142,080

**OVERALL COMPLIANCE AND INTERNAL CONTROL
SECTION**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Willow Park Texas (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 10, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control in internal control that we consider to be material weaknesses or significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider deficiencies 2015-1 described in the

accompanying schedule of findings and responses to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Willow Park's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Willow Park's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

George, Morgan & Sneed, P.C.

George, Morgan & Sneed, P.C.
Weatherford, Texas
June 10, 2016

CITY OF WILLOW PARK
Schedule of Findings and Responses
For the Year Ended September 30, 2015

Financial Statement Findings

2015-1. Audit Adjustments

Criteria: The City should have procedures to prevent the financial statements from containing material audit adjustments.

Condition: During the audit we proposed 15 audit adjustments to balance the funds in QuickBooks and 55 audit adjustments to correct errors and adjust the books for accrual entries.

Recommendation: We recommend that the City perform monthly reviews and reconciliations. We understand the City is changing accounting programs and recommend that the accounting staff receive the appropriate training for the new software.

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