

CITY OF TOOL, TEXAS

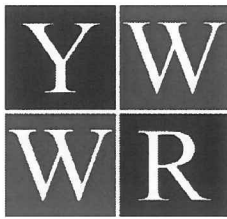
ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2017

CITY OF TOOL, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2017

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YELDELL, WILSON, WOOD & REEVE, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Greer Yeldell, CPA | Glen Wilson, CPA | Tracie Wood, CPA | Joyce Reeve, CPA
Glenda Valek, CPA | Caitlyn Keller, CPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Tool, Texas

We have audited the accompanying financial statements of the governmental activities and general fund of the City of Tool, Texas, as of and for the year ended September 30, 2017, 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. 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the City of Tool, Texas, as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Honorable Mayor and City Council
City of Tool, Texas
Page Two

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and page 27 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.

Yeldell, Wilson, Wood & Reeve, P.C.

Yeldell, Wilson, Wood & Reeve, P.C.
Certified Public Accountants

Waxahachie, Texas
March 20, 2018

CITY OF TOOL, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Tool, Texas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2017.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1,370,704 (net position). Of this amount, \$947,551 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$540,201.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$903,456, or 24% of the total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support 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 financial information on all of the City's assets and liabilities, with the difference 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements distinguish functions of the City that are principally supported by sales and franchise taxes. The governmental activities of the City include general government, public safety, and public works.

The government-wide financial statements can be found on pages 10-11 of this report.

CITY OF TOOL'S NET POSITION

	Governmental Activities		Total	
	2017	2016	2017	2016
Current and other assets	\$ 1,105,337	\$ 669,503	\$ 1,105,337	\$ 669,503
Capital assets	2,929,875	204,513	2,929,875	204,513
Total assets	<u>4,035,212</u>	<u>874,016</u>	<u>4,035,212</u>	<u>874,016</u>
Long term liabilities	2,601,584	7,424	2,601,584	7,424
Other liabilities	62,924	36,089	62,924	36,089
Total liabilities	<u>2,664,508</u>	<u>43,513</u>	<u>2,664,508</u>	<u>43,513</u>
Net position:				
Net investment in capital assets	334,875	204,513	334,875	204,513
Restricted	88,278	41,990	88,278	41,990
Unrestricted	947,551	584,000	947,551	584,000
Total net position	<u>\$ 1,370,704</u>	<u>\$ 830,503</u>	<u>\$ 1,370,704</u>	<u>\$ 830,503</u>

A portion of the City's net position (24.4%) reflects its investment in capital assets (e.g., land, construction in progress, buildings and machinery and equipment), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$947,551 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's net investment in capital assets increased as a result of current year's capital asset additions exceeding depreciation.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position. The same situation held true for the prior fiscal year.

The City's overall net position increased \$540,201 from the prior fiscal year. The reasons for this overall decrease are discussed in the following section for governmental activities.

Financial Analysis of Governmental 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 discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At September 30, 2017, the City's General fund reported ending fund balance of \$1,004,509, an increase of \$426,762 in comparison with the prior year. Approximately 90% of this amount (\$903,456) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is 1) no in spendable form (\$12,775) or 2) restricted for particular purposes (\$88,278).

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 \$903,456, while total fund balance increased to \$1,004,509. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 23.6 percent of total general fund expenditures, while total fund balance represents approximately 26.3 percent of that same amount.

The fund balance of the City's general fund increased \$426,762 during the current fiscal year.

General Fund Budgetary Highlights

Original budget compared to final budget. Approximate differences between the original budget and final amended budget can be briefly summarized as follows:

- \$27,000 increase in sales tax revenue.
- \$13,252 decrease in fines and forfeitures revenue.
- \$73,844 increase in intergovernmental revenue.
- \$109,011 decrease in public safety expenditures.
- \$2,489,656 increase in public works expenditures.
- \$332,492 increase in debt service expenditures.
- \$2,595,000 increase in other financing sources.

Final budget compared to actual results. General fund actual revenues of \$1,645,626 exceeded budgeted revenues of \$1,443,334 by \$202,292. Following are the main components that experienced an increase or decrease of actual revenue compared to budgeted revenue:

Economic Factors and Next Year's Budgets and Rates

In the 2017-18 Budget, General Fund revenues will decrease slightly (3.90%), with property tax making up about 69% of general fund budgeted revenues.

Requests for Information

This 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 City of Tool, Texas, 701 N. Tool Drive, Tool, Texas 75143, (903) 432-3522.

CITY OF TOOL, TEXAS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2017

Function/Program:	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Expenses					
\$ 257,251	\$ 33,057	\$ -	\$ -	\$ (224,194)	\$ (224,194)
657,895	156,808	1,035	-	(500,052)	(500,052)
181,573	-	57,829	176,259	52,515	52,515
15,296	-	-	-	(15,296)	(15,296)
Total governmental activities	1,112,015	58,864	176,259	(687,027)	(687,027)
Total primary government	\$ 1,112,015	\$ 58,864	\$ 176,259	(687,027)	(687,027)

Function/Program:

Primary government:

Governmental activities:

General government

Public safety

Public works

Interest

Total governmental activities

Total primary government

General revenues:

Property taxes

Sales taxes

Franchise taxes

Mixed beverage taxes

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - beginning

Net position - ending

958,782	958,782
103,866	103,866
150,816	150,816
430	430
8,683	8,683
4,651	4,651
1,227,228	1,227,228
540,201	540,201
830,503	830,503
\$ 1,370,704	\$ 1,370,704

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

CITY OF TOOL, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2017

	<u>General</u>	<u>Total Governmental Funds</u>
REVENUES		
Property taxes	\$ 965,780	\$ 965,780
Sales taxes	103,866	103,866
Franchise taxes	150,816	150,816
Alcoholic beverage taxes	430	430
Licenses and permits	33,057	33,057
Fines and forfeitures	156,808	156,808
Revenue from use of money	8,683	8,683
Miscellaneous	4,651	4,651
Intergovernmental	230,591	230,591
Total revenues	<u>1,654,682</u>	<u>1,654,682</u>
EXPENDITURES		
Current:		
General government	254,280	254,280
Public safety	631,769	631,769
Public works	2,901,396	2,901,396
Debt service:		
Bond issuance costs	<u>35,475</u>	<u>35,475</u>
Total expenditures	<u>3,822,920</u>	<u>3,822,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,168,238)</u>	<u>(2,168,238)</u>
OTHER FINANCING SOURCES (USES)		
Certificates of obligation issued	<u>2,595,000</u>	<u>2,595,000</u>
Total other financing sources (uses)	<u>2,595,000</u>	<u>2,595,000</u>
Net change in fund balance	426,762	426,762
Fund balance at beginning of year	<u>577,747</u>	<u>577,747</u>
Fund balance at end of year	<u>\$ 1,004,509</u>	<u>\$ 1,004,509</u>

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

CITY OF TOOL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide 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 nonfiduciary activities of the primary government. *Governmental activities* are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

B. Reporting entity

The City of Tool, Texas (the "City") was incorporated March 22, 1969 and is a Type "A" General Law municipality consisting of a Mayor and five City Council members. It provides the following services for its residents: general administrative services, public safety, and public works.

The City applies the criteria set forth in GASB Statement No. 61, The Financial Reporting Entity, to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected official's accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The City presently has no component units included within its reporting entity.

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the City's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

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 TOOL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred inflows of resources, and net position/fund balance (continued)

2. Investments

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexSTAR.

3. Receivables and Allowances for Doubtful Accounts

All trade and property tax receivables are shown net of an allowance for uncollectibles. All past due trade accounts receivables comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is the lesser of .2 percent of the tax levy for each fiscal year or the outstanding property taxes for each fiscal year at year end.

4. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

As the City constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

CITY OF TOOL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, liabilities, deferred inflows of resources, and net position/fund balance (continued)

Net investment in capital assets —This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position —This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position —This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statement, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund balance flow assumption

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance —amounts that are not in spendable form (such as inventory and prepaid items) or are required to be maintained intact.

Restricted fund balance —amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance —amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

CITY OF TOOL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Revenues and expenditures/expenses (continued)

2. Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of October 1st on the assessed value listed as of the prior January 1st for all real and personal property. Appraised values are established by the Henderson County Appraisal District as market value and assessed at 100% of appraised value. The Henderson County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1st. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time, substantially all taxes are collected.

3. Compensated absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from City service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Vacation leave shall be taken during the year following its accumulation.

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year end, the City's bank balance was \$997,170. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance, \$747,170, was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$1,300,000.

CITY OF TOOL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line. Below is the detail of receivables for the general fund, including the applicable allowances for uncollectible accounts:

Receivables:	General	Total
Taxes	\$ 99,800	\$ 99,800
Less: allowance for uncollectibles	(9,471)	(9,471)
Net total receivable	<u>\$ 90,329</u>	<u>\$ 90,329</u>

D. Capital assets

Capital asset activity for the year ended September 30, 2017 was as follows:

Governmental activities:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Land	\$ 11,568	\$ -	\$ -	\$ 11,568
Construction in progress	-	191,459	-	191,459
Total capital assets not being depreciated	<u>11,568</u>	<u>191,459</u>	<u>-</u>	<u>203,027</u>
Capital assets being depreciated:				
Buildings	588,075	-	-	588,075
Infrastructure	-	2,559,525	-	2,559,525
Machinery and equipment	533,405	25,682	-	559,087
Total capital assets being depreciated	<u>1,121,480</u>	<u>2,585,207</u>	<u>-</u>	<u>3,706,687</u>
Less accumulated depreciation for:				
Buildings	(518,027)	(7,954)	-	(525,981)
Machinery and equipment	(410,508)	(43,350)	-	(453,858)
Total accumulated depreciation	<u>(928,535)</u>	<u>(51,304)</u>	<u>-</u>	<u>(979,839)</u>
Total capital assets being depreciated, net	<u>192,945</u>	<u>2,533,903</u>	<u>-</u>	<u>2,726,848</u>
Governmental activities capital assets, net	<u>\$ 204,513</u>	<u>\$ 2,725,362</u>	<u>\$ -</u>	<u>\$ 2,929,875</u>

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

Governmental activities:

General government	\$ 10,007
Public safety	33,282
Public works	8,015
	<u>\$ 51,304</u>

CITY OF TOOL, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 2 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

G. Long-term liability (continued)

The debt service requirements for the City's certificates of obligation are as follows:

Year Ending September 30	Certificates of Obligation	
	Governmental Activities	
	Principal	Interest
2018	\$ 205,000	\$ 92,017
2019	240,000	58,566
2020	245,000	52,310
2021	250,000	45,924
2022	260,000	39,345
2023-2027	1,395,000	91,913
	<u>\$ 2,595,000</u>	<u>\$ 380,075</u>

Compensated Absences -

Compensated absences represent the estimated liability for employees' paid time off benefits for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund.

Changes in long-term liability

Changes in the City's long-term liability for the year ended September 30, 2017 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Certificates of obligation	\$ -	\$ 2,595,000	\$ -	\$ 2,595,000	\$ 205,000
Compensated absences	7,424	17,631	(18,471)	6,584	6,584
Governmental activity					
Long-term liabilities	<u>\$ 7,424</u>	<u>\$ 2,612,631</u>	<u>\$ (18,471)</u>	<u>\$ 2,601,584</u>	<u>\$ 211,584</u>

Certificates of obligation issued for governmental activity purposes are liquidated by the general fund. Governmental compensated absences will be liquidated by the general fund. Vacation leave is expected to be taken during the year following its accumulation.

H. Subsequent events

On October 19, 2017, the City approved a contract with a construction company in the amount of \$86,000.

CITY OF TOOL, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual	Adjustments	Actual	Variance
	Original	Final	GAAP	Budget	Budget	with Final
			Basis	Basis	Basis	Budget
REVENUES						
Property taxes	\$ 948,976	\$ 948,976	\$ 965,780	\$ (3,837)	\$ 961,943	\$ 12,967
Sales taxes	73,000	100,000	103,866	3,331	107,197	7,197
Franchise taxes	143,483	135,630	150,816	(5,853)	144,963	9,333
Alcoholic beverage taxes	-	336	430	(59)	371	35
Licenses and permits	20,250	30,000	33,057	-	33,057	3,057
Fines and forfeitures	153,500	140,248	156,808	-	156,808	16,560
Revenue from use of money	2,500	8,200	8,683	-	8,683	483
Miscellaneous	4,000	5,100	4,651	-	4,651	(449)
Intergovernmental	1,000	74,844	230,591	(2,638)	227,953	153,109
Total revenues	<u>1,346,709</u>	<u>1,443,334</u>	<u>1,654,682</u>	<u>(9,056)</u>	<u>1,645,626</u>	<u>202,292</u>
EXPENDITURES						
Current:						
Administration	255,895	261,883	254,280	(145)	254,135	(7,748)
Public safety:						
Police	668,023	505,520	536,085	(3,026)	533,059	27,539
Judicial	61,260	67,857	50,415	4,551	54,966	(12,891)
Code enforcement	-	46,895	45,269	57	45,326	(1,569)
Public works	361,531	2,851,187	2,901,396	(3,722)	2,897,674	46,487
Debt service:						
Principal retirement	-	297,017	-	-	-	(297,017)
Bond issuance costs	-	35,475	35,475	-	35,475	-
Total expenditures	<u>1,346,709</u>	<u>4,065,834</u>	<u>3,822,920</u>	<u>(2,285)</u>	<u>3,820,635</u>	<u>(245,199)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,622,500)</u>	<u>(2,168,238)</u>	<u>(6,771)</u>	<u>(2,175,009)</u>	<u>447,491</u>
OTHER FINANCING SOURCES (USES)						
Certificates of obligation issued	-	2,595,000	2,595,000	-	2,595,000	-
Total other financing sources (uses)	<u>-</u>	<u>2,595,000</u>	<u>2,595,000</u>	<u>-</u>	<u>2,595,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (27,500)</u>	<u>\$ 426,762</u>	<u>\$ (6,771)</u>	<u>\$ 419,991</u>	<u>\$ 447,491</u>

NOTES TO BUDGETARY INFORMATION

1. Budgetary basis of accounting

The annual budget for the general fund is prepared on the budgetary basis of accounting. Appropriations lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

City of Tool, Texas
Uncorrected Misstatement

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Misstatement
P01	Potential	09/30/17					
		1250	Due From Other Governments	17,424.00			
		3900	Retained Earnings		17,424.00		
						0.00	
			To propose an entry to adjust prior year due from other governments to actual.				
		TOTAL		<u>17,424.00</u>	<u>17,424.00</u>	<u>0.00</u>	