



ACCOUNTANT'S COMPILATION REPORT

To the Town Council
Town of Westover Hills, Texas

We have compiled the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Westover Hills, Texas (the "Town") as of March 31, 2014 and for the six months then ended, which collectively comprise the Town's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Town is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of departures from accounting principles generally accepted in the United States of America that are described in the following paragraph.

The financial statements compiled by us confirm to the format requested by management of the Town. This format includes certain information that is not required by generally accepted accounting principles and it excludes other information that is required by generally accepted accounting principles. The differences in content and format of these compiled financial statements compared with those required by generally accepted accounting principles and by the Governmental Accounting Standards Board is significant. In addition, management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted financial statement information and disclosures were included in the financial statements, they might influence the user's conclusions about the Town's financial position, results of activities, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Town.

A handwritten signature in blue ink that reads "Hartman Leito & Bolt LLP".

Fort Worth, Texas
April 14, 2014

**Town of Westover Hills
Financial Statements
March 31, 2014**

Table of Contents

<u>Page</u>	<u>General Fund</u>
1.	General Fund Balance Sheets
2.	General Fund Statements of Revenues, Expenditures and Changes in Fund Balance
4.	General Fund Statements of Cash Flows
5.	General Fund Balance Sheet - Trending
6.	General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Trending
8.	General Fund Statement of Cash Flows - Trending
	 <u>Water Fund</u>
9.	Water Fund Statements of Net Assets
10.	Water Fund Statements of Revenues, Expenditures and Changes in Net Assets
11.	Water Fund Statements of Cash Flows
12.	Water Fund Statement of Net Assets - Trending
13.	Water Fund Statement of Revenues, Expenditures and Changes in Net Assets - Trending
14.	Water Fund Statement of Cash Flows - Trending
15.	Notes

**Town of Westover Hills
General Fund
Balance Sheets
As of March 31, 2014
With Comparative Prior Month Actual, Current Month Budget and Prior Year-End Actual Amounts**

	Notes	Actual 3/31/14	Actual 2/28/14	Budget 3/31/14	Actual Prior Year End 9/30/13
Assets					
Checking		\$ 132,383	\$ 242,706	\$ 33,774	\$ 7,146
Tex Pool		1,732,071	1,731,972	1,783,437	1,031,742
Petty Cash		2,420	2,425	743	1,242
Total Cash		<u>1,866,874</u>	<u>1,977,103</u>	<u>1,817,954</u>	<u>1,040,130</u>
Franchise Fees Receivable		-	-	-	62,624
Property Taxes Receivable		56,162	70,034	89,071	5,407
Garbage Fees Receivable		5,357	5,496	8,904	9,821
Alarm Fees Receivable		3,296	3,249	5,716	3,781
Prepaid Expenses		22,070	25,748	18,408	-
Due From Water Fund		-	5,349	-	-
Total Assets		<u>\$ 1,953,759</u>	<u>\$ 2,086,979</u>	<u>\$ 1,940,053</u>	<u>\$ 1,121,763</u>
Liabilities					
Accounts Payable		\$ -	\$ -	\$ 32,275	\$ 34,884
Accrued Payroll Taxes and Benefits		573	5,455	7,060	10,542
Accrued Salaries		45,450	38,227	48,688	7,810
Sales Tax Payable		1,382	952	1,202	1,939
Deferred Revenue		56,162	70,034	89,071	5,407
Total Liabilities		<u>103,567</u>	<u>114,668</u>	<u>178,296</u>	<u>60,582</u>
Fund Balance					
Fund Balance, Beginning		1,061,181	1,061,181	986,960	1,165,160
Net Change in Fund Balance, Year to Date	1	789,011	911,130	774,797	(103,979)
Fund Balance, Ending		<u>1,850,192</u>	<u>1,972,311</u>	<u>1,761,757</u>	<u>1,061,181</u>
Total Liabilities & Fund Balance		<u>\$ 1,953,759</u>	<u>\$ 2,086,979</u>	<u>\$ 1,940,053</u>	<u>\$ 1,121,763</u>

**Town of Westover Hills
General Fund
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Month and Year to Date Period Ended March 31, 2014
With Comparative Budget and Budget Variance Amounts**

	Notes	Current Period			Year to Date			Annual Budget
		Actual	Budget	Variance	Actual	Budget	Variance	
Revenues								
Ad Valorem Tax		\$ 13,872	\$ 18,314	\$ (4,442)	\$ 1,730,670	\$1,693,353	\$ 37,317	\$ 1,783,925
Franchise Fees		13,468	-	13,468	21,030	-	21,030	100,000
Building Permits		5,385	5,833	(448)	25,941	34,998	(9,057)	70,000
Court Fines		2,465	2,500	(35)	8,514	15,000	(6,486)	30,000
Garbage		3,950	4,167	(217)	24,286	25,002	(716)	50,000
Alarm Fees		2,715	2,675	40	16,839	16,050	789	32,100
Interest Income		99	100	(1)	329	600	(271)	1,200
Miscellaneous		2,397	-	2,397	3,487	-	3,487	-
Sale of Assets		-	333	(333)	-	1,998	(1,998)	4,000
Donations		(128)	-	(128)	1,664	-	1,664	-
Reimbursement from Water Fund		4,000	4,000	-	24,000	24,000	-	48,000
Total General Revenues		48,223	37,922	10,301	1,856,760	1,811,001	45,759	2,119,225
Expenditures								
Personnel	2	10,294	11,829	1,535	39,656	70,974	31,318	141,949
Vehicle		369	-	(369)	1,107	-	(1,107)	-
Building & Office		6,047	3,947	(2,100)	38,923	23,682	(15,241)	47,368
Contractual Services	3	10,707	14,327	3,620	133,810	85,962	(47,848)	171,929
Capital	4	-	-	-	5,122	30,000	24,878	30,000
Total Administration		27,417	30,103	2,686	218,618	210,618	(8,000)	391,246
Personnel		6,660	6,096	(564)	36,701	36,576	(125)	73,155
Vehicle		-	68	68	68	408	340	810
Building & Office		5,672	1,046	(4,626)	8,586	6,276	(2,310)	12,550
Capital		-	-	-	-	5,200	5,200	5,200
Total Building		12,332	7,210	(5,122)	45,355	48,460	3,105	91,715
Personnel		71,372	70,064	(1,308)	421,315	420,384	(931)	840,764
Vehicle		3,146	3,413	267	14,955	20,478	5,523	40,958
Building & Office		2,772	3,017	245	21,809	18,102	(3,707)	36,200
Capital		-	-	-	8,023	8,000	(23)	8,000
Total Police		77,290	76,494	(796)	466,102	466,964	862	925,922
Fire Protection		13,701	13,701	-	82,206	82,206	-	164,411
Total Fire Protection		13,701	13,701	-	82,206	82,206	-	164,411
Labor - Temporary Service		1,000	1,000	-	6,000	6,000	-	12,000
Miscellaneous		-	17	17	-	102	102	208
Prisoner Costs		-	167	167	1,100	1,002	(98)	2,000
State Reimbursement		-	-	-	4,222	-	(4,222)	-
Court Administration Rent		1,765	1,667	(98)	8,825	10,002	1,177	20,000
Total Municipal Court		2,765	2,851	86	20,147	17,106	(3,041)	34,208
Personnel		24,518	21,734	(2,784)	136,318	130,404	(5,914)	260,813
Vehicle		977	1,603	626	7,805	9,621	1,816	19,250
Building & Office	3	1,238	2,004	766	47,467	12,024	(35,443)	24,050
Other City Service Costs		702	2,085	1,383	6,329	12,503	6,174	25,000
Garbage Collection		3,441	5,000	1,559	20,364	30,000	9,636	60,000
Street Repairs		1,234	833	(401)	5,012	4,998	(14)	10,000
Capital		4,727	-	(4,727)	12,026	11,300	(726)	106,300
Total Public Works		36,837	33,259	(3,578)	235,321	210,850	(24,471)	505,413
Total General Fund Expenditures		170,342	163,618	(6,724)	1,067,749	1,036,204	(31,545)	2,112,915
Net Change in Fund Balance		\$ (122,119)	\$ (125,696)	\$ 3,577	\$ 789,011	\$ 774,797	\$ 14,214	\$ 6,310
Change in Fund Balance Excluding Capital Expenditures		\$ (117,392)	\$ (125,696)	\$ 8,304	\$ 814,182	\$ 829,297	\$ (15,115)	\$ 155,810

**Town of Westover Hills
General Fund
Statements of Revenues, Expenditures and Changes in Fund Balance
For the Month and Year to Date Period Ended March 31, 2014
With Comparative Budget and Budget Variance Amounts**

	Notes	Current Period			Year to Date			Annual Budget
		Actual	Budget	Variance	Actual	Budget	Variance	
Supplemental: Capital Expenditures								
Police Department Flooring		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Canterbury Dr Overlay		-	-	-	1,012	-	(1,012)	90,000
Cameras & Lighting		-	-	-	-	-	-	-
Road Sander		-	-	-	6,287	6,300	13	6,300
Security Gate		4,305	-	(4,305)	4,305	5,000	695	5,000
Shady Oaks Overlay		422	-	(422)	422	-	(422)	-
Crack Sealing		-	-	-	-	-	-	5,000
Bathroom Remodel		-	-	-	-	30,000	30,000	30,000
Digital Video System		-	-	-	6,995	8,000	1,005	8,000
Ballistic Vest		-	-	-	1,028	-	(1,028)	-
Accounting Software		-	-	-	5,122	-	(5,122)	-
Large Format Scanner		-	-	-	-	5,200	5,200	5,200
Total Capital Expenditures	4	\$ 4,727	\$ -	\$ (4,727)	\$ 25,171	\$ 54,500	\$ 29,329	\$ 149,500
Supplemental: All Departments Expense								
Personnel		\$ 112,844	\$ 109,723	\$ (3,121)	\$ 633,990	\$ 658,338	\$ 24,348	\$ 1,316,681
Vehicle		4,492	5,084	592	23,935	30,507	6,572	61,018
Building & Office	3	15,729	10,014	(5,715)	116,785	60,084	(56,701)	120,168
Contractual Services	3	10,707	14,327	3,620	133,810	85,962	(47,848)	171,929
Labor - Temporary Service		1,000	1,000	-	6,000	6,000	-	12,000
Fire Protection		13,701	13,701	-	82,206	82,206	-	164,411
Miscellaneous		-	17	17	-	102	102	208
Prisoner Costs		-	167	167	1,100	1,002	(98)	2,000
State Reimbursement		-	-	-	4,222	-	(4,222)	-
Court Administration Rent		1,765	1,667	(98)	8,825	10,002	1,177	20,000
Other City Service Costs		702	2,085	1,383	6,329	12,503	6,174	25,000
Garbage Collection		3,441	5,000	1,559	20,364	30,000	9,636	60,000
Street Repairs		1,234	833	(401)	5,012	4,998	(14)	10,000
Capital	4	4,727	-	(4,727)	25,171	54,500	29,329	149,500
Total General Fund Expenditures		\$ 170,342	\$ 163,618	\$ (6,724)	\$ 1,067,749	\$ 1,036,204	\$ (31,545)	\$ 2,112,915

**Town of Westover Hills
General Fund
Statements of Cash Flows
For the Month and Year to Date Period Ended March 31, 2014
With Comparative Budget and Budget Variance Amounts**

	Current Period			Year to Date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Operating Activities							
Change in Fund Balance Excluding Capital Expenditures	\$ (117,392)	\$ (125,696)	\$ 8,304	\$ 814,182	\$ 829,297	\$ (15,115)	\$ 155,810
Adjustments to reconcile change in fund balance excluding capital expenditures to net cash provided by (used in) operating activities:							
Franchise Fees Receivable	-	-	-	62,624	80,000	(17,376)	-
Garbage Fees Receivable	139	-	139	4,464	(178)	4,642	(178)
Alarm Fees Receivable	(47)	-	(47)	485	(712)	1,197	(712)
Prepaid Expenses	3,678	3,069	609	(22,070)	(18,408)	(3,662)	-
Due to (from) Water Fund	5,349	-	5,349	-	-	-	-
Accounts Payable	-	(4,971)	4,971	(34,884)	(2,788)	(32,096)	(2,788)
Accrued Payroll Taxes and Benefits	(4,882)	1,246	(6,128)	(9,969)	449	(10,418)	864
Accrued Salaries	7,223	8,592	(1,369)	37,640	3,095	34,545	5,959
Sales Tax Payable	430	-	430	(557)	(966)	409	(960)
Net Cash provided by (used in) Operating Activities	(105,502)	(117,760)	12,258	851,915	889,789	(37,874)	157,995
Investing Activities							
Capital Expenditures	(4,727)	-	(4,727)	(25,171)	(54,500)	29,329	(149,500)
Net Cash provided by (used in) Investing Activities	(4,727)	-	(4,727)	(25,171)	(54,500)	29,329	(149,500)
Net Cash provided by (used in) Financing Activities	-	-	-	-	-	-	-
Net Change in Cash	(110,229)	(117,760)	7,531	826,744	835,289	(8,545)	8,495
Cash, Beginning of Period	1,977,103	1,935,714	41,389	1,040,130	982,665	57,465	982,665
Cash, End of Period	\$1,866,874	\$1,817,954	\$ 48,920	\$1,866,874	\$1,817,954	\$ 48,920	\$ 991,160

**Town of Westover Hills
General Fund
Balance Sheet - Trending
For the Months Ended September 30, 2013 through March 31, 2014**

	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>
Assets													
Checking	\$ 7,146	\$ 104,392	\$ 138,606	\$ 556,062	\$ 1,073,303	\$ 242,706	\$ 132,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tex Pool	1,031,742	881,806	731,857	731,898	731,927	1,731,972	1,732,071	-	-	-	-	-	-
Petty Cash	1,242	2,237	2,232	2,435	2,430	2,425	2,420	-	-	-	-	-	-
Total Cash	1,040,130	988,435	872,695	1,290,395	1,807,660	1,977,103	1,866,874	-	-	-	-	-	-
Franchise Fees Receivable	62,624	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes Receivable	5,407	1,746,492	1,673,291	1,091,797	386,832	70,034	56,162	-	-	-	-	-	-
Garbage Fees Receivable	9,821	4,638	3,789	5,560	5,743	5,496	5,357	-	-	-	-	-	-
Alarm Fees Receivable	3,781	3,359	3,211	2,772	3,213	3,249	3,296	-	-	-	-	-	-
Prepaid Expenses	-	40,462	36,783	33,105	29,426	25,748	22,070	-	-	-	-	-	-
Due From Water Fund	-	5,349	5,349	5,349	5,349	5,349	-	-	-	-	-	-	-
Total Assets	\$ 1,121,763	\$ 2,788,735	\$ 2,595,118	\$ 2,428,978	\$ 2,238,223	\$ 2,086,979	\$ 1,953,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liabilities													
Accounts Payable	\$ 34,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Payroll Taxes and Benefits	10,542	6,367	4,917	12,878	5,587	5,455	573	-	-	-	-	-	-
Accrued Salaries	7,810	54,610	21,844	8,191	38,227	38,227	45,450	-	-	-	-	-	-
Sales Tax Payable	1,939	713	1,134	1,952	496	952	1,382	-	-	-	-	-	-
Deferred Revenue	5,407	1,746,492	1,673,291	1,091,797	386,832	70,034	56,162	-	-	-	-	-	-
Total Liabilities	60,582	1,808,182	1,701,186	1,114,818	431,142	114,668	103,567	-	-	-	-	-	-
Fund Balance													
Fund Balance, Beginning	1,165,160	1,061,181	1,061,181	1,061,181	1,061,181	1,061,181	1,061,181	-	-	-	-	-	-
Change in Fund Balance, Year to Date	(103,979)	(80,628)	(167,249)	252,979	745,900	911,130	789,011	-	-	-	-	-	-
Fund Balance, Ending	1,061,181	980,553	893,932	1,314,160	1,807,081	1,972,311	1,850,192	-	-	-	-	-	-
Total Liabilities & Fund Balance	\$ 1,121,763	\$ 2,788,735	\$ 2,595,118	\$ 2,428,978	\$ 2,238,223	\$ 2,086,979	1,953,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Westover Hills
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Trending
For the Months Ended October 31, 2013 through March 31, 2014

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Total</u>
Revenues													
Ad Valorem Tax	\$ 40,341	\$ 73,201	\$ 581,493	\$ 704,965	\$ 316,798	\$ 13,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,730,670
Franchise Fees	-	3,778	-	-	3,784	13,468	-	-	-	-	-	-	21,030
Building Permits	1,299	1,443	742	3,035	14,037	5,385	-	-	-	-	-	-	25,941
Court Fines	1,731	1,677	1,348	615	678	2,465	-	-	-	-	-	-	8,514
Garbage	3,798	2,755	4,254	5,220	4,309	3,950	-	-	-	-	-	-	24,286
Alarm Fees	2,932	2,768	2,793	2,808	2,823	2,715	-	-	-	-	-	-	16,839
Interest Income	65	51	40	29	45	99	-	-	-	-	-	-	329
Miscellaneous	25	10	-	-	1,055	2,397	-	-	-	-	-	-	3,487
Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations	1,380	-	491	(14)	(65)	(128)	-	-	-	-	-	-	1,664
Reimbursement from Water Fund	4,000	4,000	4,000	4,000	4,000	4,000	-	-	-	-	-	-	24,000
Total General Revenues	55,571	89,683	595,161	720,658	347,464	48,223	-	-	-	-	-	-	1,856,760
Expenditures													
Personnel	4,559	4,547	3,628	8,928	7,700	10,294	-	-	-	-	-	-	39,656
Vehicle	-	-	-	369	369	369	-	-	-	-	-	-	1,107
Building & Office	5,833	3,452	7,373	5,310	10,908	6,047	-	-	-	-	-	-	38,923
Contractual Services	12,041	18,096	37,440	19,030	36,496	10,707	-	-	-	-	-	-	133,810
Capital	-	-	-	5,122	-	-	-	-	-	-	-	-	5,122
Total Administration	22,433	26,095	48,441	38,759	55,473	27,417	-	-	-	-	-	-	218,618
Personnel	6,314	5,846	4,631	7,515	5,735	6,660	-	-	-	-	-	-	36,701
Vehicle	-	68	-	-	-	-	-	-	-	-	-	-	68
Building & Office	236	159	751	825	943	5,672	-	-	-	-	-	-	8,586
Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Building	6,550	6,073	5,382	8,340	6,678	12,332	-	-	-	-	-	-	45,355
Personnel	72,817	79,085	51,881	83,578	62,582	71,372	-	-	-	-	-	-	421,315
Vehicle	1,370	2,216	1,674	4,468	2,081	3,146	-	-	-	-	-	-	14,955
Building & Office	3,371	1,960	2,870	8,840	1,996	2,772	-	-	-	-	-	-	21,809
Capital	-	8,023	-	-	-	-	-	-	-	-	-	-	8,023
Total Police	77,558	91,284	56,425	96,886	66,659	77,290	-	-	-	-	-	-	466,102
Fire Protection	13,701	13,701	13,701	13,701	13,701	13,701	-	-	-	-	-	-	82,206
Total Fire Protection	13,701	13,701	13,701	13,701	13,701	13,701	-	-	-	-	-	-	82,206
Labor - Temporary Service	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	6,000
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Prisoner Costs	-	100	50	600	350	-	-	-	-	-	-	-	1,100
State Reimbursement	1,980	-	-	2,071	171	-	-	-	-	-	-	-	4,222
Court Administration Rent	-	1,765	1,765	1,765	1,765	1,765	-	-	-	-	-	-	8,825
Total Municipal Court	2,980	2,865	2,815	5,436	3,286	2,765	-	-	-	-	-	-	20,147
Personnel	21,578	21,223	18,590	26,686	23,723	24,518	-	-	-	-	-	-	136,318
Vehicle	386	1,532	2,313	1,283	1,314	977	-	-	-	-	-	-	7,805
Building & Office	(6,165)	2,120	21,618	23,230	5,426	1,238	-	-	-	-	-	-	47,467
Other City Service Costs	2,834	30	504	1,260	999	702	-	-	-	-	-	-	6,329
Garbage Collection	(693)	4,103	4,881	4,472	4,160	3,441	-	-	-	-	-	-	20,364
Street Repairs	(5,563)	7,278	263	1,800	-	1,234	-	-	-	-	-	-	5,012
Capital	600	-	-	5,884	815	4,727	-	-	-	-	-	-	12,026
Total Public Works	12,977	36,286	48,169	64,615	36,437	36,837	-	-	-	-	-	-	235,321
Total General Fund Expenditures	\$ 136,199	\$ 176,304	\$ 174,933	\$ 227,737	\$ 182,234	\$ 170,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,067,749

Town of Westover Hills
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Trending
For the Months Ended October 31, 2013 through March 31, 2014

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Total
Change in Fund Balance	\$ (80,628)	\$ (86,621)	\$ 420,228	\$ 492,921	\$ 165,230	\$ (122,119)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789,011
Change in Fund Balance Excluding Capital Expenditures	\$ (80,028)	\$ (78,598)	\$ 420,228	\$ 503,927	\$ 166,045	(117,392)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,182
Supplemental information: Capital Expenditures													
Police Department Flooring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Canterbury Dr Overlay	197	-	-	-	815	-	-	-	-	-	-	-	1,012
Cameras & Lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Sander	403	-	-	5,884	-	-	-	-	-	-	-	-	6,287
Security Gate	-	-	-	-	-	4,305	-	-	-	-	-	-	4,305
Shady Oaks Overlay	-	-	-	-	-	422	-	-	-	-	-	-	422
Crack Sealing	-	-	-	-	-	-	-	-	-	-	-	-	-
Bathroom Remodel	-	-	-	-	-	-	-	-	-	-	-	-	-
Digital Video System	-	6,995	-	-	-	-	-	-	-	-	-	-	6,995
Ballistic Vest	-	1,028	-	-	-	-	-	-	-	-	-	-	1,028
Accounting Software	-	-	-	5,122	-	-	-	-	-	-	-	-	5,122
Large Format Scanner	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	\$ 600	\$ 8,023	\$ -	\$ 11,006	815	4,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,171
Supplemental: All Departments Expense													
Personnel	\$ 105,268	\$ 110,701	\$ 78,730	\$ 126,707	\$ 99,740	\$ 112,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 633,990
Vehicle	1,756	3,816	3,987	6,120	3,764	4,492	-	-	-	-	-	-	23,935
Building & Office	3,275	7,691	32,612	38,205	19,273	15,729	-	-	-	-	-	-	116,785
Contractual Services	12,041	18,096	37,440	19,030	36,496	10,707	-	-	-	-	-	-	133,810
Labor - Temporary Service	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	6,000
Fire Protection	13,701	13,701	13,701	13,701	13,701	13,701	-	-	-	-	-	-	82,206
Prisoner Costs	-	100	50	600	350	-	-	-	-	-	-	-	1,100
State Reimbursement	1,980	-	-	2,071	171	-	-	-	-	-	-	-	4,222
Court Administration Rent	-	1,765	1,765	1,765	1,765	1,765	-	-	-	-	-	-	8,825
Other City Service Costs	2,834	30	504	1,260	999	702	-	-	-	-	-	-	6,329
Garbage Collection	(693)	4,103	4,881	4,472	4,160	3,441	-	-	-	-	-	-	20,364
Street Repairs	(5,563)	7,278	263	1,800	-	1,234	-	-	-	-	-	-	5,012
Capital	600	8,023	-	11,006	815	4,727	-	-	-	-	-	-	25,171
Total General Fund Expenditures	\$ 136,199	\$ 176,304	\$ 174,933	\$ 227,737	\$ 182,234	170,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,067,749

**Town of Westover Hills
General Fund
Statement of Cash Flow - Trending
For the Months Ended October 31, 2013 through March 31, 2014**

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>FY 2014</u>
Operating Activities													
Change in Fund Balance Excluding Capital Expenditures	\$ (80,028)	\$ (78,598)	\$ 420,228	\$ 503,927	\$ 166,045	\$ (117,392)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,182
Adjustments to reconcile change in fund balance excluding capital expenditures to net cash provided by (used in) operating activities:													
Franchise Fees Receivable	62,624	-	-	-	-	-	-	-	-	-	-	-	62,624
Garbage Fees Receivable	5,183	849	(1,771)	(183)	247	139	-	-	-	-	-	-	4,464
Alarm Fees Receivable	422	148	439	(441)	(36)	(47)	-	-	-	-	-	-	485
Prepaid Expenses	(40,462)	3,679	3,678	3,679	3,678	3,678	-	-	-	-	-	-	(22,070)
Due to (from) Water Fund	(5,349)	-	-	-	-	5,349	-	-	-	-	-	-	-
Accounts Payable	(34,884)	-	-	-	-	-	-	-	-	-	-	-	(34,884)
Accrued Payroll Taxes and Benefits	(4,175)	(1,450)	7,961	(7,291)	(132)	(4,882)	-	-	-	-	-	-	(9,969)
Accrued Salaries	46,800	(32,766)	(13,653)	30,036	-	7,223	-	-	-	-	-	-	37,640
Sales Tax Payable	(1,226)	421	818	(1,456)	456	430	-	-	-	-	-	-	(557)
Net Cash provided by (used in) Operating Activities	(51,095)	(107,717)	417,700	528,271	170,258	(105,502)	-	-	-	-	-	-	851,915
Investing Activities													
Capital Expenditures	(600)	(8,023)	-	(11,006)	(815)	(4,727)	-	-	-	-	-	-	(25,171)
Net Cash provided by (used in) Investing Activities	(600)	(8,023)	-	(11,006)	(815)	(4,727)	-	-	-	-	-	-	(25,171)
Net Cash provided by (used in) Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash	(51,695)	(115,740)	417,700	517,265	169,443	(110,229)	-	-	-	-	-	-	826,744
Cash, Beginning of Period	1,040,130	988,435	872,695	1,290,395	1,807,660	1,977,103	-	-	-	-	-	-	1,040,130
Cash, End of Period	\$ 988,435	\$ 872,695	\$ 1,290,395	\$ 1,807,660	\$ 1,977,103	\$ 1,866,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,866,874

**Town of Westover Hills
Water Fund
Statements of Net Assets
As of March 31, 2014**

With Comparative Prior Month Actual, Current Month Budget and Prior Year-End Actual Amounts

	Notes	Actual 3/31/14	Actual 2/28/14	Budget 3/31/14	Actual Prior Year 9/30/13
Assets					
Checking		\$ 223,909	\$ 216,787	\$ 109,108	\$ 285,409
Tex Pool		639,190	639,154	558,736	389,044
Total Cash	5	863,099	855,941	667,844	674,453
Water Fees Receivable	6	65,686	45,689	90,269	117,756
Sewer Fees Receivable		23,057	27,016	45,851	37,942
Allowance for Uncollectible Accounts		(4,238)	(4,238)	(3,796)	(4,238)
Property, Plant & Equipment, net	5	2,863,254	2,887,606	3,031,543	2,934,202
Due From General Fund		-	-	-	-
Total Assets		<u>\$ 3,810,858</u>	<u>\$ 3,812,014</u>	<u>\$ 3,831,711</u>	<u>\$ 3,760,115</u>
Liabilities					
Accounts Payable	6	\$ 43,857	\$ 29,768	\$ 66,390	\$ 63,109
Due to General Fund		-	5,349	-	-
Total Liabilities		<u>43,857</u>	<u>35,117</u>	<u>66,390</u>	<u>63,109</u>
Net Assets					
Net Assets, Beginning		3,697,006	3,697,006	3,680,932	3,347,422
Change in Net Assets, Year to Date	1	69,995	79,891	84,389	349,584
Net Assets, Ending		<u>3,767,001</u>	<u>3,776,897</u>	<u>3,765,321</u>	<u>3,697,006</u>
Total Liabilities & Net Assets		<u>\$ 3,810,858</u>	<u>\$ 3,812,014</u>	<u>\$ 3,831,711</u>	<u>\$ 3,760,115</u>

**Town of Westover Hills
Water Fund
Statements of Revenues, Expenditures and Changes in Net Assets
For the Month and Year to Date Period Ended March 31, 2014
With Comparative Budget and Budget Variance Amounts**

	Notes	Current Period			Year To Date			Annual Budget
		Actual	Budget	Variance	Actual	Budget	Variance	
Revenues								
Water Sales		\$ 58,874	\$ 42,241	\$ 16,633	\$ 303,867	\$ 424,224	\$ (120,357)	\$ 950,914
Sewer Charges		15,259	21,456	(6,197)	113,335	128,736	(15,401)	245,492
Total Water Revenues	7	74,133	63,697	10,436	417,202	552,960	(135,758)	1,196,406
Cost of Goods Sold								
Water Purchases		42,418	32,972	(9,446)	196,461	282,162	85,701	614,922
Sewer Fees		4,942	8,851	3,909	27,248	53,106	25,858	100,817
Total Cost of Goods Sold	7	47,360	41,823	(5,537)	223,709	335,268	111,559	715,739
Gross Profit								
Water Gross Profit		16,456	9,269	7,187	107,406	142,062	(34,656)	335,992
Sewer Gross Profit		10,317	12,605	(2,288)	86,087	75,630	10,457	144,675
Total Gross Profit	7	26,773	21,874	4,899	193,493	217,692	(24,199)	480,667
Expenditures								
General and Administrative		4,664	5,109	445	30,626	30,654	28	61,301
Contractual Services		5,723	1,833	(3,890)	10,363	10,998	635	22,000
Materials and Supplies		-	992	992	6,138	5,952	(186)	11,900
Repairs & Maintenance		1,699	2,958	1,259	6,830	17,748	10,918	35,500
Depreciation		24,619	11,450	(13,169)	75,357	68,700	(6,657)	137,400
Total Expenses		36,705	22,342	(14,363)	129,314	134,052	4,738	268,101
Other Income & Expense								
Interest		36	42	(6)	146	251	(105)	510
Miscellaneous		-	83	(83)	5,670	498	5,172	996
Total Other Income & Expense		36	125	(89)	5,816	749	5,067	1,506
Change in Net Assets		\$ (9,896)	\$ (343)	\$ (9,553)	\$ 69,995	\$ 84,389	\$ (14,394)	\$ 214,072
Supplemental:								
Capital Expenditures								
Old Side Services	8	\$ -	\$ -	\$ -	\$ 2,650	\$ 117,500	\$ (114,850)	\$ 117,500
Canterbury Pipe Bursting		-	-	-	1,412	-	1,412	-
Citywide TV & De-rooting		267	5,000	-	425	10,000	(9,575)	20,000
Westover Terr - Trench Repair	9	-	-	-	-	25,000	(25,000)	25,000
Pipe Rack		-	-	-	-	2,000	(2,000)	2,000
Total Capital Expenditures		\$ 267	\$ 5,000	\$ -	\$ 4,487	\$ 154,500	\$ (150,013)	\$ 164,500
Margins:								
Water Gross Margin		28.0%	21.9%	6.0%	35.3%	33.5%	1.9%	35.3%
Sewer Gross Margin		67.6%	58.7%	8.9%	76.0%	58.7%	17.2%	58.9%
Total Gross Margin		36.1%	34.3%	1.8%	46.4%	39.4%	7.0%	40.2%

Town of Westover Hills
Water Fund
Statements of Cash Flows
For the Month and Year to Date Period Ended March 31, 2014
With Comparative Budget and Budget Variance Amounts

	Current Period			Year To Date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<u>Operating Activities</u>							
Change in Net Assets Excluding Capital Expenditures	\$ (9,896)	\$ (343)	\$ (9,553)	\$ 69,995	\$ 84,389	\$ (14,394)	\$ 214,072
Adjustments to reconcile change in net assets excluding capital expenditures to net cash provided by (used in) operating activities:							
Depreciation	24,619	11,450	13,169	75,357	68,700	6,657	137,400
Changes in assets and liabilities							
Accounts Receivable-Water	(19,997)	-	(19,997)	52,070	245,219	(193,149)	44,498
Accounts Receivable-Sewer	3,959	-	3,959	14,885	(11,920)	26,805	(7,653)
Allowance for Uncollectible Accounts	-	-	-	-	(442)	442	(442)
Due to (from) General Fund	(5,349)	-	(5,349)	-	-	-	-
Accounts Payable	14,089	(49,932)	64,021	(19,174)	16,460	(35,634)	4,132
Net Cash provided by (used in) Operating Activities	7,425	(38,825)	46,250	193,133	402,406	(209,273)	392,007
<u>Investing Activities</u>							
Capital Expenditures	(267)	(5,000)	4,733	(4,487)	(154,500)	150,013	(164,500)
Net Cash provided by (used in) Investing Activities	(267)	(5,000)	4,733	(4,487)	(154,500)	150,013	(164,500)
Net Cash provided by (used in) Financing Activities	-	-	-	-	-	-	-
Net Change in Cash	7,158	(43,825)	50,983	188,646	247,906	(59,260)	227,507
Cash, Beginning of Period	855,941	711,669	144,272	674,453	419,938	254,515	419,938
Cash, End of Period	\$ 863,099	\$ 667,844	\$ 195,255	\$ 863,099	\$ 667,844	\$ 195,255	\$ 647,445

**Town of Westover Hills
Water Fund
Statement of Net Assets - Trending
For the Months Ended September 30, 2013 through March 31, 2014**

	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>
Assets													
Checking	\$ 285,409	\$ 396,850	\$ 436,060	\$ 425,575	\$ 450,133	\$ 216,787	\$ 223,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tex Pool	389,044	389,072	389,097	389,119	389,134	639,154	639,190	-	-	-	-	-	-
Total Cash	674,453	785,922	825,157	814,694	839,267	855,941	863,099	-	-	-	-	-	-
Water Fees Receivable	117,756	89,451	63,314	43,427	44,326	45,689	65,686	-	-	-	-	-	-
Sewer Fees Receivable	37,942	25,276	26,351	25,747	25,147	27,016	23,057	-	-	-	-	-	-
Allowance for Uncollectible Accounts	(4,238)	(4,238)	(4,238)	(4,238)	(4,238)	(4,238)	(4,238)	-	-	-	-	-	-
Property, Plant & Equipment, net	2,934,202	2,935,190	2,922,392	2,909,594	2,897,697	2,887,606	2,863,254	-	-	-	-	-	-
Due From General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 3,760,115	\$ 3,831,601	\$ 3,832,976	\$ 3,789,224	\$ 3,802,199	\$ 3,812,014	\$ 3,810,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Liabilities													
Accounts Payable	\$ 63,109	\$ 92,977	\$ 76,059	\$ 26,664	\$ 29,768	\$ 29,768	\$ 43,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to General Fund	-	5,349	5,349	5,349	5,349	5,349	-	-	-	-	-	-	-
Total Liabilities	63,109	98,326	81,408	32,013	35,117	35,117	43,857	-	-	-	-	-	-
Net Assets													
Net Assets, Beginning	3,347,422	3,697,006	3,697,006	3,697,006	3,697,006	3,697,006	3,697,006	-	-	-	-	-	-
Change in Net Assets, Year to Date	349,584	36,269	54,562	60,205	70,076	79,891	69,995	-	-	-	-	-	-
Net Assets, Ending	3,697,006	3,733,275	3,751,568	3,757,211	3,767,082	3,776,897	3,767,001	-	-	-	-	-	-
Total Liabilities & Net Assets	\$ 3,760,115	\$ 3,831,601	\$ 3,832,976	\$ 3,789,224	\$ 3,802,199	\$ 3,812,014	\$ 3,810,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Town of Westover Hills
Water Fund
Statement of Revenues, Expenditures and Changes in Net Assets - Trending
For the Months Ended October 31, 2013 through March 31, 2014**

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Total
Revenues													
Water Sales	\$ 74,183	\$ 49,755	\$ 36,941	\$ 42,855	\$ 41,259	\$ 58,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,867
Sewer Charges	19,516	19,640	19,640	19,640	19,640	15,259	-	-	-	-	-	-	113,335
Total Water Revenues	93,699	69,395	56,581	62,495	60,899	74,133	-	-	-	-	-	-	417,202
Cost of Goods Sold													
Water Purchases	44,565	27,736	26,389	27,950	27,403	42,418	-	-	-	-	-	-	196,461
Sewer Fees	4,742	4,391	4,391	4,391	4,391	4,942	-	-	-	-	-	-	27,248
Total Cost of Goods Sold	49,307	32,127	30,780	32,341	31,794	47,360	-	-	-	-	-	-	223,709
Gross Profit													
Water Gross Profit	29,618	22,019	10,552	14,905	13,856	16,456	-	-	-	-	-	-	107,406
Sewer Gross Profit	14,774	15,249	15,249	15,249	15,249	10,317	-	-	-	-	-	-	86,087
Total Gross Profit	44,392	37,268	25,801	30,154	29,105	26,773	-	-	-	-	-	-	193,493
Expenditures													
General and Administrative	5,522	4,463	5,548	5,904	4,525	4,664	-	-	-	-	-	-	30,626
Contractual Services	2,268	1,419	232	691	30	5,723	-	-	-	-	-	-	10,363
Materials and Supplies	2,282	65	1,348	1,546	897	-	-	-	-	-	-	-	6,138
Repairs & Maintenance	3,078	255	253	260	1,285	1,699	-	-	-	-	-	-	6,830
Depreciation	672	12,798	12,798	11,897	12,573	24,619	-	-	-	-	-	-	75,357
Total Expenses	13,822	19,000	20,179	20,298	19,310	36,705	-	-	-	-	-	-	129,314
Other Income & Expense													
Interest	29	25	21	15	20	36	-	-	-	-	-	-	146
Miscellaneous	5,670	-	-	-	-	-	-	-	-	-	-	-	5,670
Total Other Income & Expense	5,699	25	21	15	20	36	-	-	-	-	-	-	5,816
Transfers													
Transfer In from General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out to General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets	\$ 36,269	\$ 18,293	\$ 5,643	\$ 9,871	\$ 9,815	\$ (9,896)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,995
Supplemental:													
Capital Expenditures													
Old Side Services	\$ 168	\$ -	\$ -	\$ -	\$ 2,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,650
Canterbury Pipe Bursting	1,412	-	-	-	-	-	-	-	-	-	-	-	1,412
Citywide TV & De-rooting	158	-	-	-	-	267	-	-	-	-	-	-	425
Water Software Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditures	\$ 1,738	\$ -	\$ -	\$ -	\$ 2,482	\$ 267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,487
Margins:													
Water Gross Margin	39.9%	44.3%	28.6%	34.8%	33.6%	28.0%	-	-	-	-	-	-	35.3%
Sewer Gross Margin	75.7%	77.6%	77.6%	77.6%	77.6%	67.6%	-	-	-	-	-	-	76.0%
Total Gross Margin	47.4%	53.7%	45.6%	48.3%	47.8%	36.1%	-	-	-	-	-	-	46.4%

**Town of Westover Hills
Water Fund
Statement of Cash Flow - Trending
For the Months Ended October 31, 2013 through March 31, 2014**

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>FY 2014</u>
Operating Activities													
Change in Net Assets Excluding Capital Expenditures	\$ 36,269	\$ 18,293	\$ 5,643	\$ 9,871	\$ 9,815	\$ (9,896)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,995
Adjustments to reconcile change in net assets excluding capital expenditures to net cash provided by (used in) operating activities:													
Depreciation	672	12,798	12,798	11,897	12,573	24,619	-	-	-	-	-	-	75,357
Changes in assets and liabilities:													
Accounts Receivable-Water	28,305	26,137	19,887	(899)	(1,363)	(19,997)	-	-	-	-	-	-	52,070
Accounts Receivable-Sewer	12,666	(1,075)	604	600	(1,869)	3,959	-	-	-	-	-	-	14,885
Allowance for Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to (from) General Fund	5,349	-	-	-	-	(5,349)	-	-	-	-	-	-	-
Accounts Payable	29,946	(16,918)	(49,395)	3,104	-	14,089	-	-	-	-	-	-	(19,174)
Net Cash provided by (used in) Operating Activities	113,207	39,235	(10,463)	24,573	19,156	7,425	-	-	-	-	-	-	193,133
Investing Activities													
Capital Expenditures	(1,738)	-	-	-	(2,482)	(267)	-	-	-	-	-	-	(4,487)
Net Cash provided by (used in) Investing Activities	(1,738)	-	-	-	(2,482)	(267)	-	-	-	-	-	-	(4,487)
Net Cash provided by (used in) Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash	111,469	39,235	(10,463)	24,573	16,674	7,158	-	-	-	-	-	-	188,646
Cash, Beginning of Period	674,453	785,922	825,157	814,694	839,267	855,941	-	-	-	-	-	-	674,453
Cash, End of Period	\$ 785,922	\$ 825,157	\$ 814,694	\$ 839,267	\$ 855,941	\$ 863,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 863,099

**Town of Westover Hills
Notes
As of March 31, 2014**

1. The Town's independent audit of the fiscal year 2013 financial statements was finalized on January 30, 2014. The final audit adjustments impacted fiscal year 2014 financial statements previously produced as follows:

Fund Balance for the General Fund as of September 30, 2013 as previously reported	\$ 1,079,081
Adjustments to the fiscal year in which salary expense was recognized	(5,225)
Adjustments to the fiscal year in which professional fees were recognized	(6,928)
Adjustments to the fiscal year in which other expenses were recognized	<u>(5,747)</u>
Fund Balance for the General Fund as of September 30, 2013 as currently reported	\$ <u>1,061,181</u>
Net Assets for the Water Fund as of September 30, 2013 as previously reported	\$ 3,695,785
Adjustments to the fiscal year in which water purchase was recognized	24,588
Adjustments to update accumulated depreciation on fixed assets	(12,127)
Adjustments to expense items previously capitalized	<u>(11,240)</u>
Fund Balance for the General Fund as of September 30, 2013 as currently reported	\$ <u>3,697,006</u>

2. The administrative personnel budget included the expectation that the Town Administrator position would be a full time position filled as of October 1. This vacancy for the first several months of the year was filled with a part time position.

3. These budget overages are due to a combination of additional accounting fees and certain expenses (audit costs and Tarrant Appraisal District expenses, for example) which are budgeted throughout the year but already paid in full.

4. The budget variance for capital expenditures is due to timing of capital projects. Most significantly, the administration capital budget includes \$30,000 for bathroom remodel costs cumulatively through March 31, 2014. The project has not yet incurred costs.

5. The Water Fund has cash and investments in excess of budget totaling approximately \$195,000 through March 31, 2014. This variance is primarily attributable to approximately \$168,000 less spent on capital expenditures through March 31, 2014.

6. Water Fee Receivables at March 31, 2014 are less than budgeted by approximately \$25,000. Accounts payable, which is primarily accrued water purchase costs, is similarly \$23,000 below budget. These variances are offsetting, which indicates the variances from budget are primarily attributable to volume of usage.

7. The budget variances for water revenue and costs are impacted in part by the nature of the required estimates, both in the budget and in the accrual for estimated actual amounts not yet invoiced. The primary "unknown" for the month is the estimated cost of water purchases. These financial statements estimate the cost based on the related revenue and the approximate relationship of revenue and expense from prior periods.

8. The Old Side City Services has been tabled at this time.

9. This project has not yet begun.