



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 03/19/20	REFERENCE NUMBER: G-2459	SUBJECT: Accept Comprehensive Annual Finance Report for fiscal year ended September 30, 2019	PAGE: 1 of 2
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As required by Chapter 103 of the Texas Local Government Code, an independent audit of the City's accounts and records has been made by the certified public accounting firm of Weaver & Tidwell L.L.P. for the fiscal year ending September 30, 2019.

The audited financial statements or Comprehensive Annual Financial Report (CAFR), which include the auditor's unmodified or "clean" opinion on pages 1 – 2 of the CAFR is submitted for City Council's information and consideration.

The Benbrook CAFR includes several sections as listed below:

- Introductory Section, which is unaudited
- Financial Section, including:
 - Independent Auditor's Report
 - Management's Discussion and Analysis
 - Basic Financial Statements
 - Notes to the Financial Statements, and
 - Supplementary Information
- Statistical Section, which is unaudited

The current CAFR was prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Account Standard Board (GASB). Staff anticipates that the City will receive a Certificate of Achievement for Excellence in Financial Reporting for the thirty-fifth consecutive year.

FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) governmental 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.

1. The government-wide statements, which are found on pages 11-12 are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include capital assets, long-term debt, and estimated future contributions associated with pension and other post-employment benefits.
2. The governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY:
		CITY SECRETARY
CITY MANAGER		DATE:

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year. These statements are much more useful in evaluating a government's near-term financial requirements and should be the focus of the City's fiscal year activities and financial health. These statements are on pages 13 and 15 of the CAFR.

3. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the governmental fund financial statements. The notes to the financial statements can be found on pages 19 - 43.
4. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information that can be found on pages 47 – 57.

FINANCIAL HIGHLIGHTS

- The General Fund ending fund balance at September 30, 2019 was \$8,001,014 and \$356,642 greater than budgeted.
- General Fund expenditures were less than the original budget of \$19,334,179 by \$816,467, or 4.2%. The Public Safety Departments, who make up over half the City's budget, accounted for nearly 52.5% of the savings, with Public Services 38.7% of the savings. The remaining savings resulted from a combined effort of nearly every department spending less than the budget allocations.
- At the end of the fiscal year, the City's governmental funds had a total fund balance of \$21,918,766.
- Net position increased \$2,657,774 during fiscal year 2018-2019 to a healthy \$64,773,873 at September 30, 2019.

CHANGES IN PREVIOUS YEARS

GASB 34 was enacted to provide a more comprehensive evaluation of a municipality's long-term financial position. Prior to GASB 34, cities looked only at deposits and investments. After GASB 34, cities are required to look at capital assets (buildings, roads, bridges, drainage improvements, etc.) and the depreciation of these assets. On September 30, 2019, the City's total capital assets were \$121,172,001 with a depreciation of \$63,109,417, leaving a net value of \$58,062,584.

The CAFR includes the GASB 54 requirements on the classifications of Fund Balance, found on page 11 of the Governmental Funds Statement of Net Position.

GASB 68 and amended GASB 71 requires local governments participating in defined benefit pensions to recognize their portion of the present value of the projected defined benefit payment to be provided through the pension plan. The City's pension plan is discussed in Note 6 of the financial statements. The actuarial report that is prepared for GASB's 68 and 71 indicates the City of Benbrook pension is a very healthy 84.38% funded.

RECOMMENDATION

Staff recommends that City Council accept the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019.