



Annual Comprehensive Financial Report Fiscal Year FY2022-2023

PRESENTED TO THE CITY COUNCIL

MARCH 18, 2024

Annual Comprehensive Financial Report

- Annual audit of the City's financial statements
- June 21, 2021, Council approved a 3-year professional service agreement and two 1-year options with Weaver LLP for audit services
- Purpose is to express an opinion as to whether the City's financial statements present fairly, in all material respects, the financial position of the City
- Audit includes the following items:
 - Audit of the City's ACFR in accordance with generally accepted auditing standards
 - An evaluation of the City's internal control over financial reporting
 - Single Audit in accordance with generally accepted auditing standards and compliance with U.S. Office of Management and Budget (OMB) Compliance Supplement

Annual Comprehensive Financial Report

- At the March 4, 2024 Finance Committee meeting, the Committee recommended the approval to accept the fiscal year 2022-2023 Annual Comprehensive Financial Report (ACFR), Single Audit Report, and the Annual Audit as presented.
- Jackie Gonzalez, Audit Partner and Justine Singletary, Senior Manager with Weaver will be providing a presentation regarding the results of the audit, and answer any questions the Council may have.



Audit Insights

City of Burleson, Texas

For the Year Ended September 30, 2023

City Council Presentation – March 18, 2024



Today's Presenters



Jackie Gonzalez, CPA *Partner, Assurance Services*

- ▶ Your relationship partner
- ▶ 19+ years of experience
- ▶ Practice emphasis in auditing and consulting for school districts, cities, counties and other governmental entities
- ▶ Member, GFOA Special Review Committee

Justine Singletary, CPA *Senior Manager, Assurance Services*

- ▶ Your audit manager
- ▶ 7+ years of experience
- ▶ Practice emphasis in auditing and consulting for school districts, cities, counties and other governmental entities

Weaver Team



City of Burleson Engagement Team

Jackie Gonzalez, CPA
Engagement Partner

Justine Singletary, CPA
Engagement Senior
Manager

Melissa Kirkland
Engagement Senior

Associates and Other Supporting Staff Members

Quality Control Partner

Sara Dempsey, CPA
Partner,
Assurance Services

Meet Weaver



~1,000 TEAM MEMBERS



15 U.S. LOCATIONS



~\$200M IN REVENUES



GLOBAL NETWORK MEMBER FIRM

INDUSTRY PRACTICE AREAS

- » Government
- » Not-for-Profit
- » Higher Education
- » Health Care
- » Energy
- » Real Estate
- » Private Equity
- » Technology
- » Family Office
- » Financial Services
- » Professional Services
- » Manufacturing, Distribution & Retail
- » Hospitality & Entertainment
- » Construction

“I have worked with several accounting firms, but I have never before had this kind of quality service. The information provided to us to make decisions for our company exceeds our expectations.”

—Client Feedback Survey

Government Experience

170+

PROFESSIONALS
WITH SIGNIFICANT
GOVERNMENT
EXPERIENCE

300+

CLIENTS
SERVED

OFFERINGS

- » External audit
- » Risk assessment
- » Internal Audit
- » Digital transformation
- » Grant compliance
- » Performance audit
- » Business process improvement
- » IT audit and cybersecurity
- » Agency restructuring and reorganization
- » Strategic planning
- » Organizational development
- » Valuation
- » Forensic accounting
- » Fraud investigation



20+ STATE
AGENCIES



40+ CITIES



20+ COLLEGES
& UNIVERSITIES



50+ SCHOOL
DISTRICTS

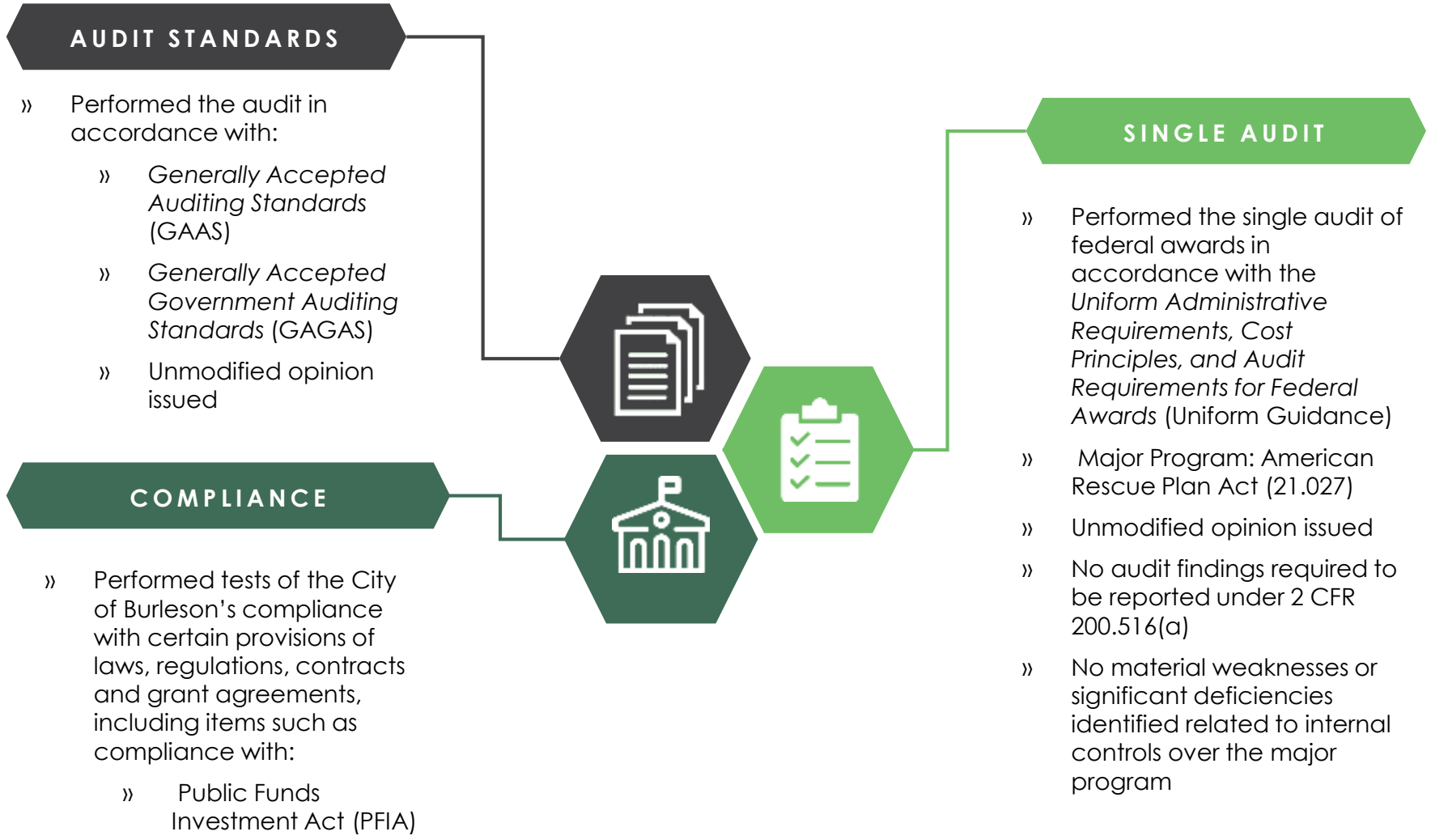


100+ LOCAL &
REGIONAL ENTITIES

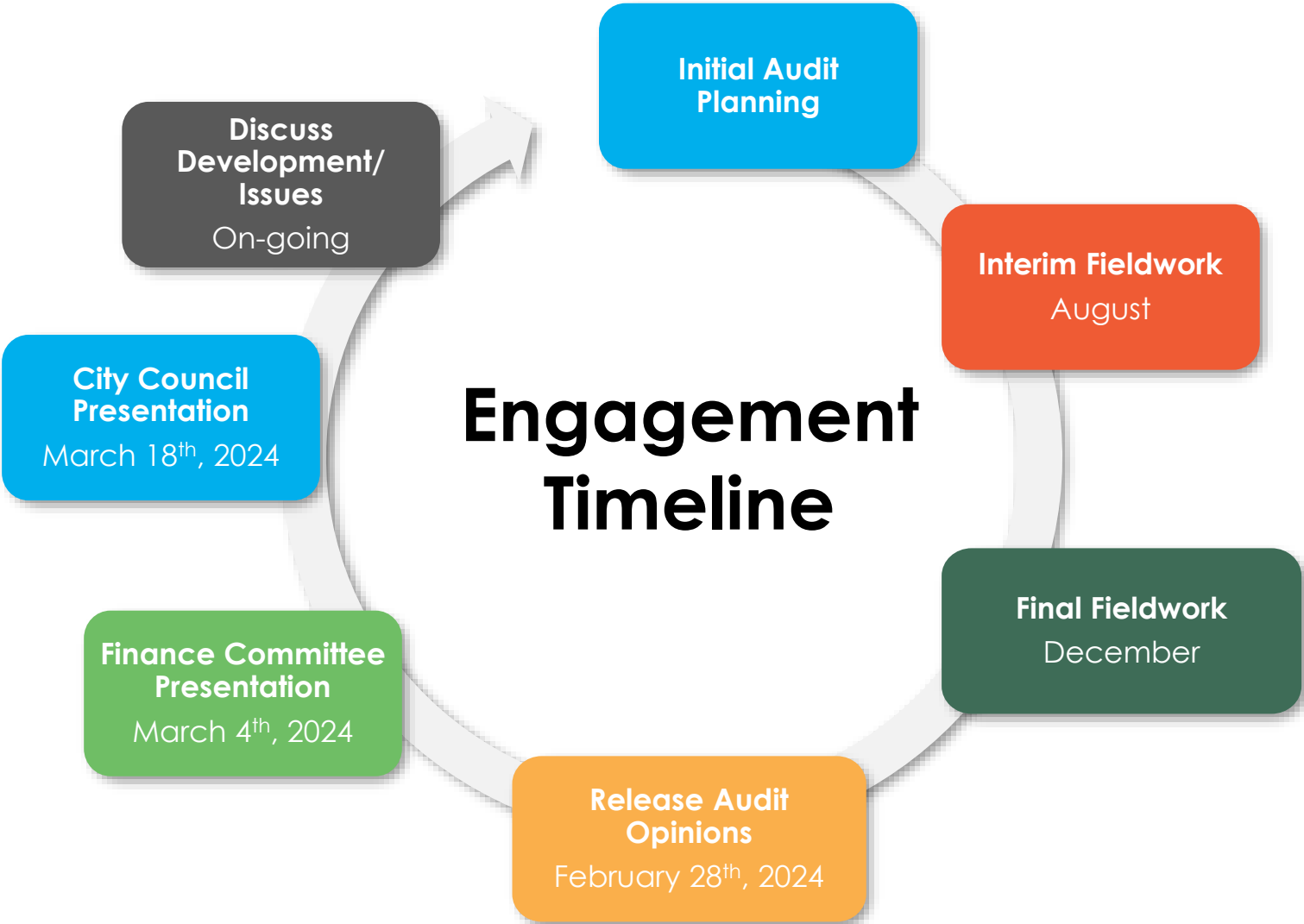


50+ GFOA AWARD
RECIPIENTS

Audit Process



Audit Timeline



Audit Results – Financial Statements

Type of Report issued:

UNMODIFIED

Internal control over financial reporting:

Any material weakness(es) identified?

No

Any significant deficiencies that are not material weaknesses?

Yes

Any noted noncompliance material to financial statements?

No

Audit Results – Federal Awards

Type of Report Issued, Compliance on Major Programs:	UNMODIFIED
Low Risk Auditee?	Yes
Internal control over the major program:	
Any material weakness(es) identified?	No
Any significant deficiencies that are not material weaknesses?	None reported
Any audit findings required to be reported under 2 CFR 200.516(a)?	No

Major Program: American Rescue Plan Act (21.027)

Implementation of New Standards



GASB Statement 96 Subscription Based Information Technology Arrangements

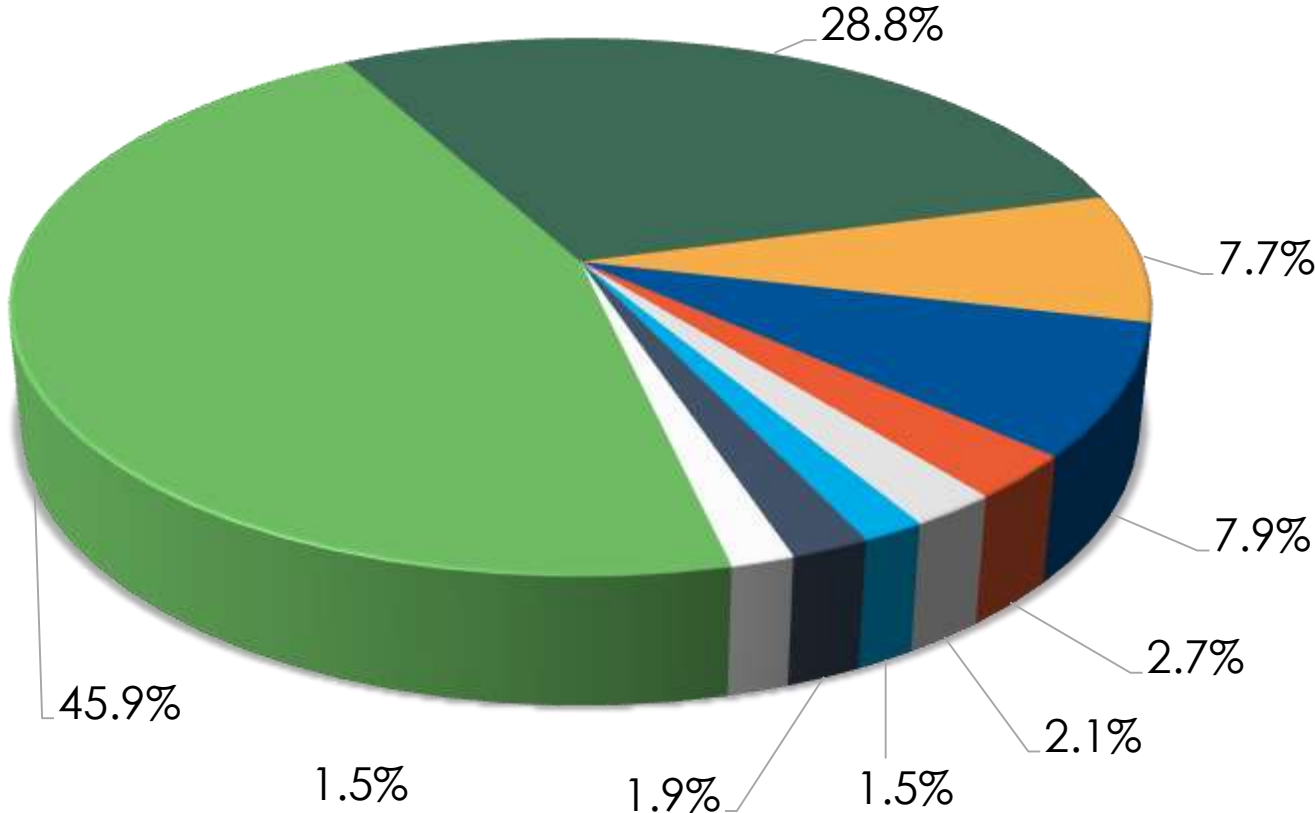
- Issued May 2020
- Effective and implemented during the fiscal year
- The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement
 - (1) defines a SBITA;
 - (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability;
 - (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and
 - (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.
- Implementation resulted in recording of approximately \$2.2M in subscription right-to-use assets and approximately \$1.1M in subscription liabilities.
- See Note 7 of the financials for more information.



Financial Highlights – General Fund

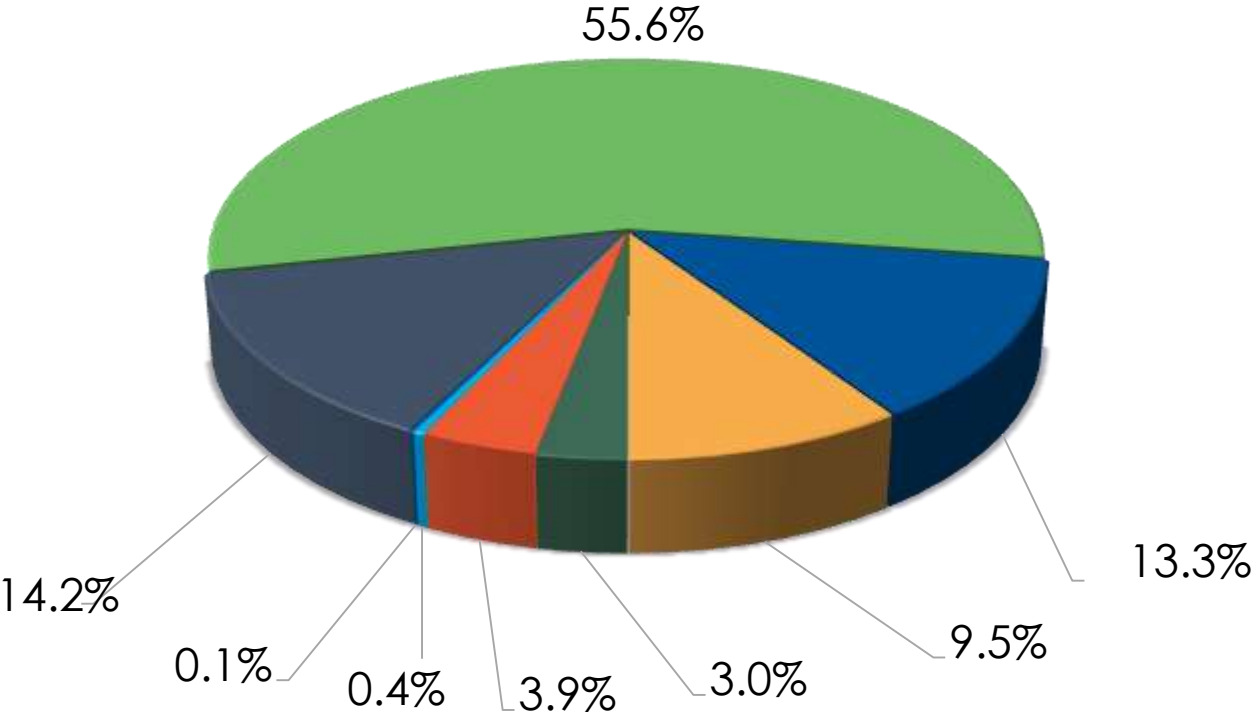
ASSETS	\$	25,227,029
LIABILITIES		4,295,064
DEFERRED INFLOWS OF RESOURCES		2,436,365
FUND BALANCES		
Nonspendable:		28,000
Unassigned		18,467,600
		<hr/>
Total Fund Balances	\$	18,495,600
REVENUES		51,648,870
EXPENDITURES		55,654,094
		<hr/>
Excess (deficiency) of revenues over (under) expenditures		(4,005,224)
OTHER FINANCING SOURCE (USES)		576,659
		<hr/>
Net change in fund balance		(3,428,565)
Fund balance, beginning		21,924,165
		<hr/>
FUND BALANCE, ENDING	\$	18,495,600

Financial Highlights – General Fund Revenue – Fiscal Year 2023 (in millions)



- Property Taxes (\$23.6)
- Sales and Use Tax (\$14.9)
- Franchise Fees (\$4.0)
- Charges for Services (\$4.1)
- Licenses and Permits (\$1.4)
- Intergovernmental (\$1.1)
- Fines (\$0.8)
- Investment Income (\$1.0)
- Miscellaneous (\$0.8)

Financial Highlights – General Fund Expenditures – Fiscal Year 2023 (in millions)

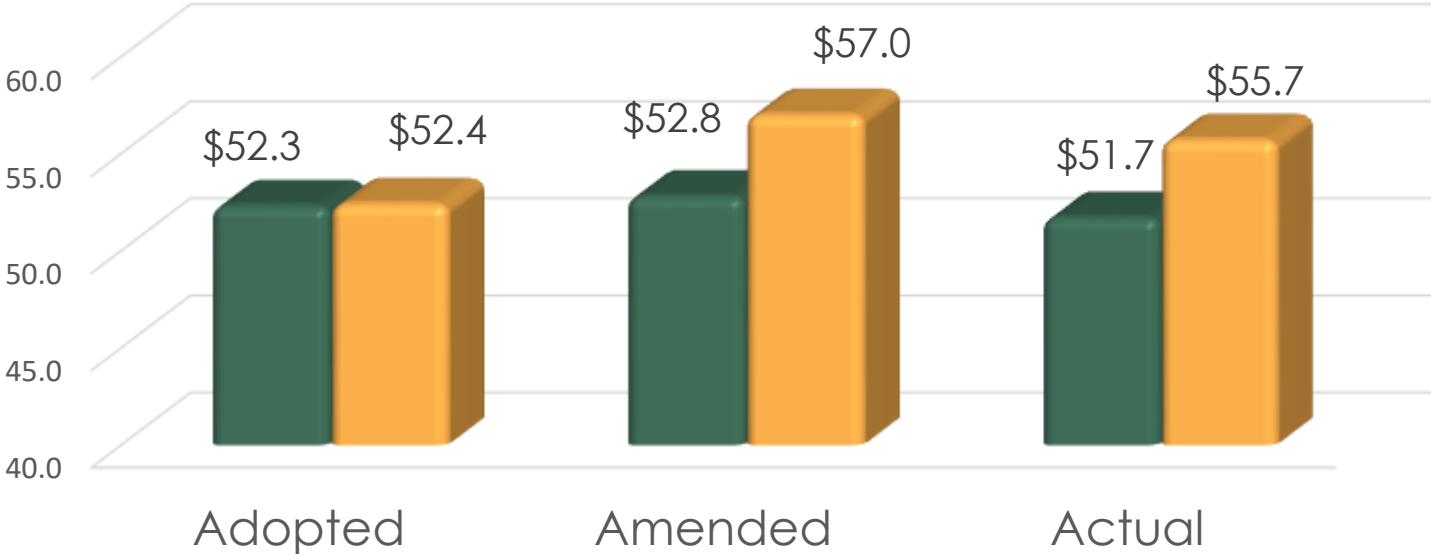


- General Government (\$7.9)
- Public Works (\$7.4)
- Library (\$1.7)
- Capital Outlay (\$0.2)
- Public Safety (\$31.0)
- Community Development (\$5.3)
- Parks and Recreation (\$2.2)
- Debt Service (\$0.08)

Financial Highlights – General Fund Budget to Actual – Fiscal Year 2023 (in millions)



■ Revenue ■ Expenses



- Actual revenues of \$51.7M were less than amended budgeted amounts by \$1.1M
- Actual expenditures of \$55.7M were less than budgeted expenditures by \$1.3M
- Ending fund balance for FY 2023 totaled \$18.5M
- Unassigned fund balance \$18.5M, which is 33% of FY 2023 budgeted expenditures (\$57M)



Jackie Gonzalez, CPA

Partner, Government & Not for Profit Services

817.882.7758

jackie.Gonzalez@weaver.com

Justine Singletary, CPA

Senior Manager, Government & Not for Profit Services

817.882.7358

justine.singletary@weaver.com



Questions, Comments & Direction

Recommendation

Recommend approval to accept the Annual Comprehensive Financial Report, Single Audit, and Annual Audit as presented.