

# FORVIS™



CITY OF  
**FARMERS BRANCH**  
TEXAS

# City of Farmers Branch, Texas

FY2023 Audit Presentation

# Introductions



**Lauren Berry, CPA**

Director

[Lauren.Berry@forvis.com](mailto:Lauren.Berry@forvis.com)

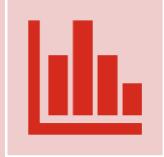


**Tyler Hoffman, CPA**

Senior Associate II

[Tyler.Hoffman@forvis.com](mailto:Tyler.Hoffman@forvis.com)

# Agenda



Audit Scope and Results



Future Pronouncements and Other Matters



Questions

# Audit Scope and Results

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# Unmodified “Clean” Opinions

- Independent Auditor’s Report on the Audit of the Financial Statements
- 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* – Independent Auditor’s Report
- Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance – Independent Auditor’s Report

# Qualitative Aspects of Significant Accounting Policies & Practices

Required Communication	FORVIS Response
Significant Accounting Policies	<ul style="list-style-type: none"><li>• See Note 1 of ACFR</li><li>• Implementation of GASB 94, <i>Public-Private and Public-Public Partnerships (P3s) and Availability Payment Arrangements (APAs)</i> and GASB 96, <i>Subscription-Based Information Technology Arrangements (SBITAs)</i></li></ul>
Unusual Policies or Methods	No matters are reportable
Alternative Accounting Treatments	No matters are reportable
Management Judgments & Accounting Estimates	<ul style="list-style-type: none"><li>• Allowance for uncollectible accounts receivable</li><li>• Total other postemployment benefits (OPEB) liability and related deferred inflows and outflows of resources</li><li>• Net pension liability and related deferred inflows and outflows of resources</li><li>• Key estimates related to leases, P3s, and SBITAs – discount rate, term and payments</li></ul>

# Qualitative Aspects of Significant Accounting Policies & Practices (cont.)

Required Communication	FORVIS Response
Financial Statement Disclosures	<ul style="list-style-type: none"><li>• Commitments and contingent liabilities</li><li>• Total OPEB liability</li><li>• Net pension liability</li><li>• Tax abatements</li><li>• Leases</li><li>• Public-Private Partnerships</li><li>• Subscription-Based Information Technology Arrangements</li></ul>
Our Judgment About the Quality of the City's Accounting Principles	No matters are reportable

# Qualitative Aspects of Significant Accounting Policies & Practices (cont.)

Required Communication	FORVIS Response
Adjustments Identified by Audit - Proposed & Recorded Adjustments	<ul style="list-style-type: none"><li>• Adjustment to fund balance/net position accounts</li><li>• Adjustment to accrue accounts payable</li><li>• Year-end entries related to Governmental Accounting Standards Board Statements 68 and 75 –outsourced to FORVIS</li><li>• Various reclassification entries for reporting purposes – outsourced to FORVIS</li><li>• Entries to convert modified accrual statements to full accrual statements – outsourced to FORVIS</li></ul>
Adjustments Identified by Audit – Proposed Adjustments Not Recorded	<ul style="list-style-type: none"><li>• Correct grants revenue related to prior year</li></ul>
Significant Issues Discussed with Management During the Audit Process	Implementation of GASB 94 and 96

# Future Pronouncements and Other Matters

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# Future Pronouncements

- GASB No. 101, Compensated Absences
  - Effective for the City's fiscal year ending September 30, 2025
- GASB No. 102, *Certain Risk Disclosures*
  - Effective for the City's fiscal year ending September 30, 2025

# Questions?

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# Thank you!

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