

FORVISTM



CITY OF
FARMERS BRANCH
TEXAS

City of Farmers Branch, Texas

FY2023 Audit Presentation

Introductions



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Agenda



Audit Scope and Results



Future Pronouncements and Other Matters



Questions

Audit Scope and Results

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FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

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">• See Note 1 of ACFR• 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> |
| 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">• Allowance for uncollectible accounts receivable• Total other postemployment benefits (OPEB) liability and related deferred inflows and outflows of resources• Net pension liability and related deferred inflows and outflows of resources• Key estimates related to leases, P3s, and SBITAs – discount rate, term and payments |

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

| Required Communication | FORVIS Response |
|--|--|
| Financial Statement Disclosures | <ul style="list-style-type: none">• Commitments and contingent liabilities• Total OPEB liability• Net pension liability• Tax abatements• Leases• Public-Private Partnerships• Subscription-Based Information Technology Arrangements |
| 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">• Adjustment to fund balance/net position accounts• Adjustment to accrue accounts payable• Year-end entries related to Governmental Accounting Standards Board Statements 68 and 75 –outsourced to FORVIS• Various reclassification entries for reporting purposes – outsourced to FORVIS• Entries to convert modified accrual statements to full accrual statements – outsourced to FORVIS |
| Adjustments Identified by Audit – Proposed Adjustments Not Recorded | <ul style="list-style-type: none">• Correct grants revenue related to prior year |
| 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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The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by FORVIS or the author(s) as to any individual situation as situations are fact specific. The reader should perform its own analysis and form its own conclusions regarding any specific situation. Further, the author(s) conclusions may be revised without notice with or without changes in industry information and legal authorities. FORVIS has been registered in the U.S. Patent and Trademark Office, which registration is pending.

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Thank you!

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