



experience perspective



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City of Texarkana, Arkansas

December 31, 2016 Audit Presentation

Agenda

Objectives of Audit

Auditor Communications

2016 Financial Highlights

State Compliance



Objectives of the Audit

To provide opinion on whether financial statements are fairly stated, in all *material* respects

Reporting on compliance with certain laws & regulations (*Government Auditing Standards*)

Issuing report on internal controls over financial reporting and compliance requirements (no opinion) (*Government Auditing Standards*)

Issuing report on compliance with certain state laws



Management vs. Auditor's Responsibility

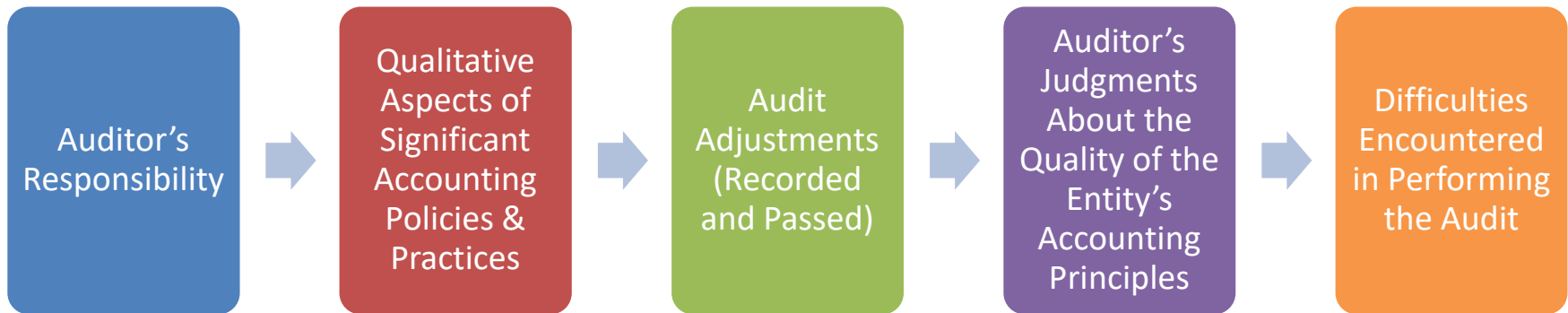
Financial statements are
the responsibility of
management



BKD's responsibility is to
express an opinion on
the financial statements
based on our audit



Required Communication to the Board





Other Matters

GASB Statement No. 72 for Fair Value Measurement effective for 2016 financial statements

GASB Statement No. 77 on Tax Abatements effective for 2016 financial statements

Recently Issued GASB Statements including Other Postemployment Benefits Other Than Pensions (OPEB)

Award For Excellence in Financial Reporting

Certificate of Achievement for Excellence in Financial Reporting

- Awarded by Government Finance Officers Association (GFOA)
- CAFR* must be easily readable, efficiently organized, in accordance with GAAP and meet legal requirements

City received 2015 award and applied for 2016 (results pending)

* Comprehensive Annual Financial Report



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to
City of Texarkana
Arkansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Jeffrey R. Snow
Executive Director/CEO



Comprehensive Annual Financial Report (CAFR)

Introductory Section

- Table of Contents
- Letter of Transmittal
- GFOA certificate
- Organizational Chart
- List of Elected or Appointed Officials

Financial Section

- Independent Auditor's Report
- Management Discussion & Analysis
- Basic Financial Statements & Notes
- Required Supplementary Information
- Other Supplementary Information

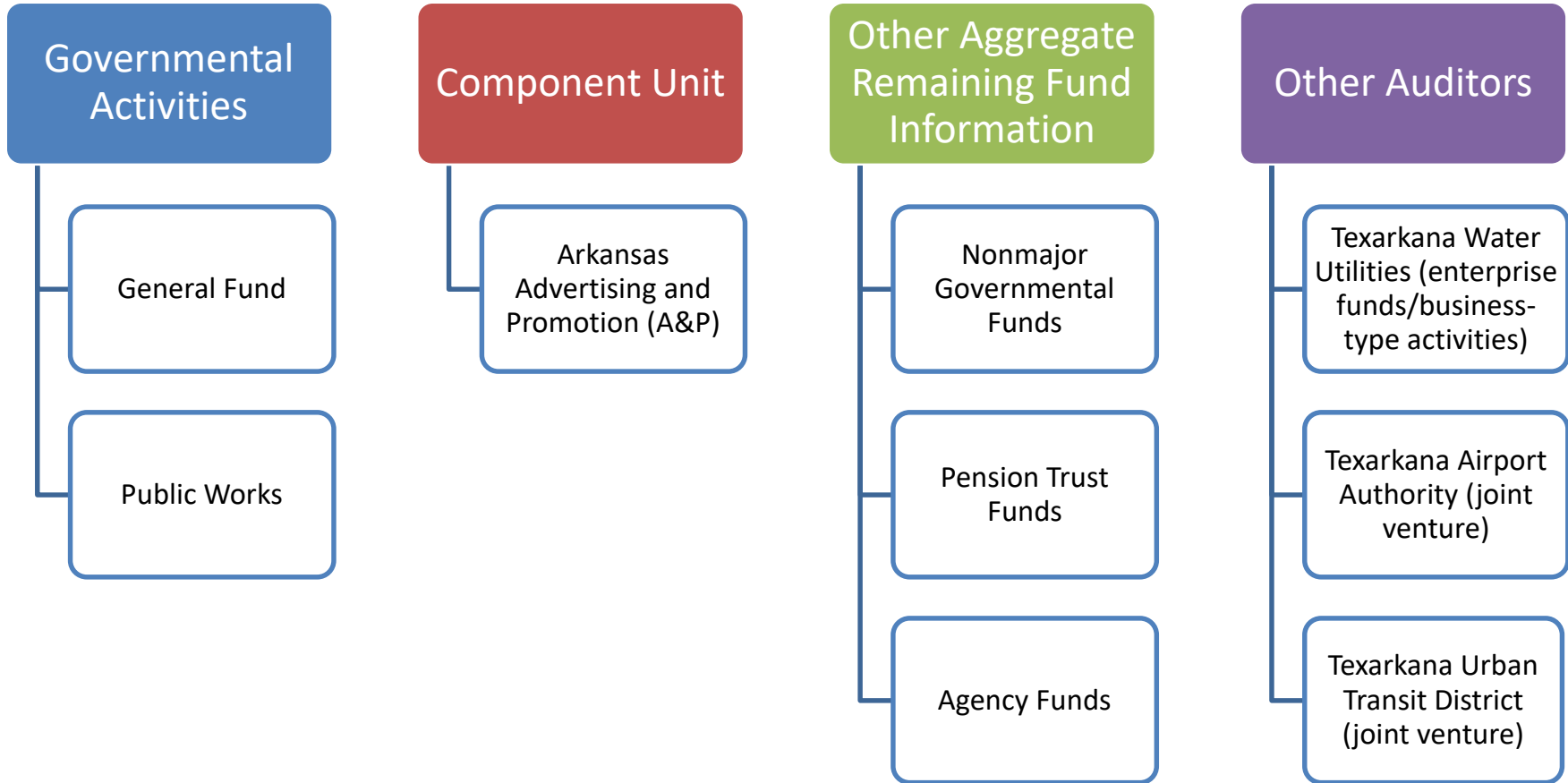
Statistical Section

- Financial Trends
- Revenue Capacity
- Debt capacity
- Demographic and Economic information
- Operating Information





Financial Statements Audit



Financial Highlights

Net Position – Governmental Activities

Over time, increases or decreases may be a useful indicator of whether financial position is improving or deteriorating

Governmental activities' net position increased 2.1% from 2015 to 2016

	2016	2015
Assets		
Current and other assets	\$ 24,980,107	\$ 25,655,299
Capital assets	34,503,437	36,047,436
Total assets	59,483,544	61,702,735
Deferred outflows of resources	6,010,936	2,689,699
Liabilities		
Long-term liabilities	50,758,835	48,686,722
Other liabilities	1,719,416	2,835,828
Total liabilities	52,478,251	51,522,550
Deferred inflows of resources	14,066	134,229
Net position		
Net investment in capital assets	12,228,378	13,418,445
Restricted	2,948,305	1,838,537
Unrestricted	(2,174,520)	(2,521,327)
Total net position	\$ 13,002,163	\$ 12,735,655

Financial Highlights

Changes in Net Position – Governmental Activities

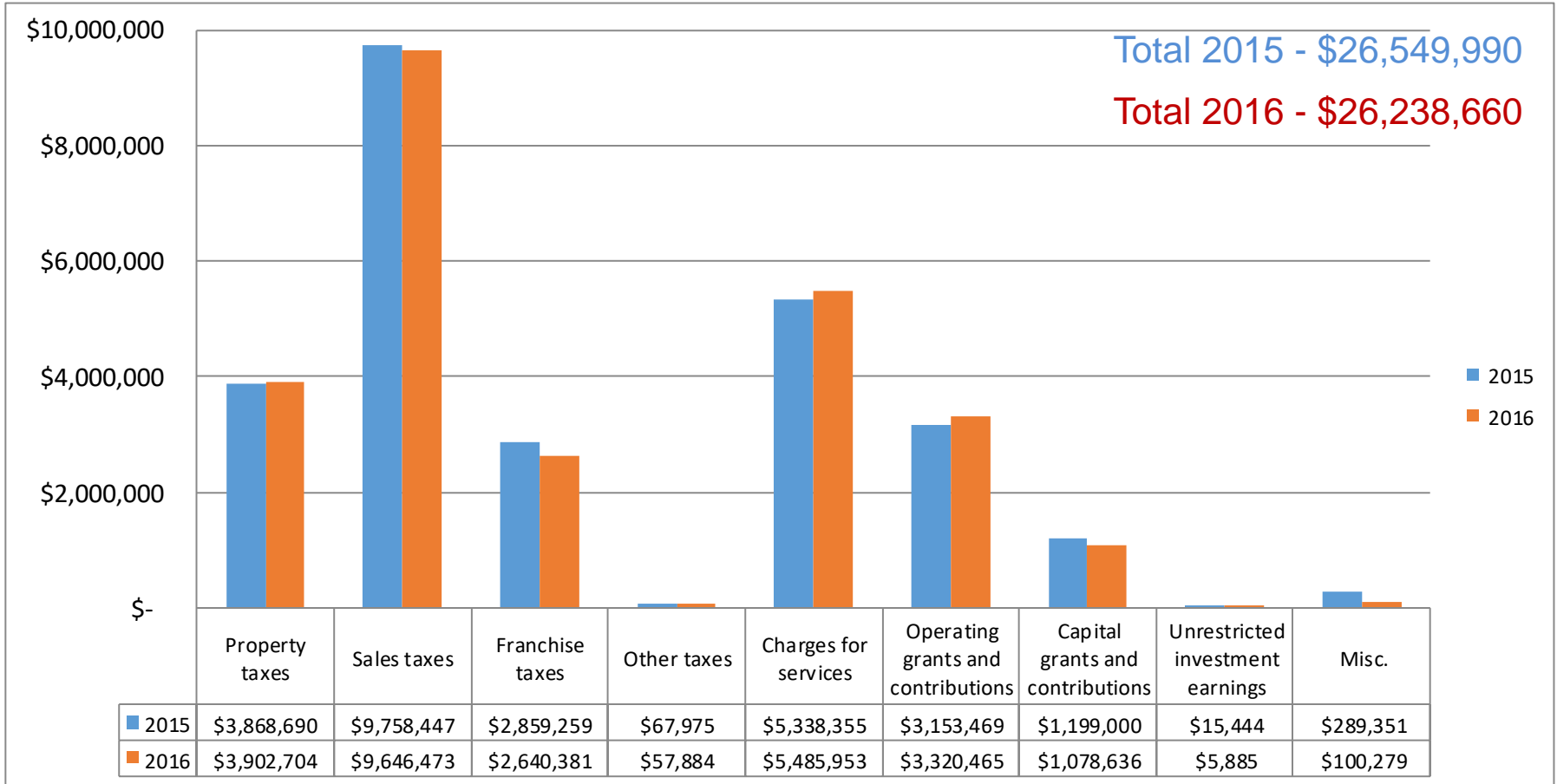
This table summarizes the operations of the City's governmental activities by fiscal year

From 2015 to the 2016 revenues decreased by \$311,330 and expenses increased by \$1,309,778.

	2016	2015
Revenues		
Program revenues		
Charges for services	\$ 5,485,953	\$ 5,338,355
Operating grants and contributions	3,320,465	3,153,469
Capital grants and contributions	1,078,636	1,199,000
General revenues		
Property taxes	3,902,704	3,868,690
Sales and other taxes	12,344,738	12,685,681
Other revenue	106,164	304,795
Total revenues	26,238,660	26,549,990
Expenses		
General administration	2,582,956	2,489,042
Police department	6,351,864	6,265,820
Fire department	4,577,604	3,606,197
Other public safety	2,877,212	3,205,227
Protective inspection	567,880	474,893
Public works	6,365,907	5,922,407
Public services	541,432	532,551
Health and welfare	459,236	410,477
Cultural and recreation	1,171,381	1,157,670
Interest on long-term debt	811,774	933,184
Total expenses	26,307,246	24,997,468
Transfers	335,094	183,034
Increase in net position	\$ 266,508	\$ 1,735,556

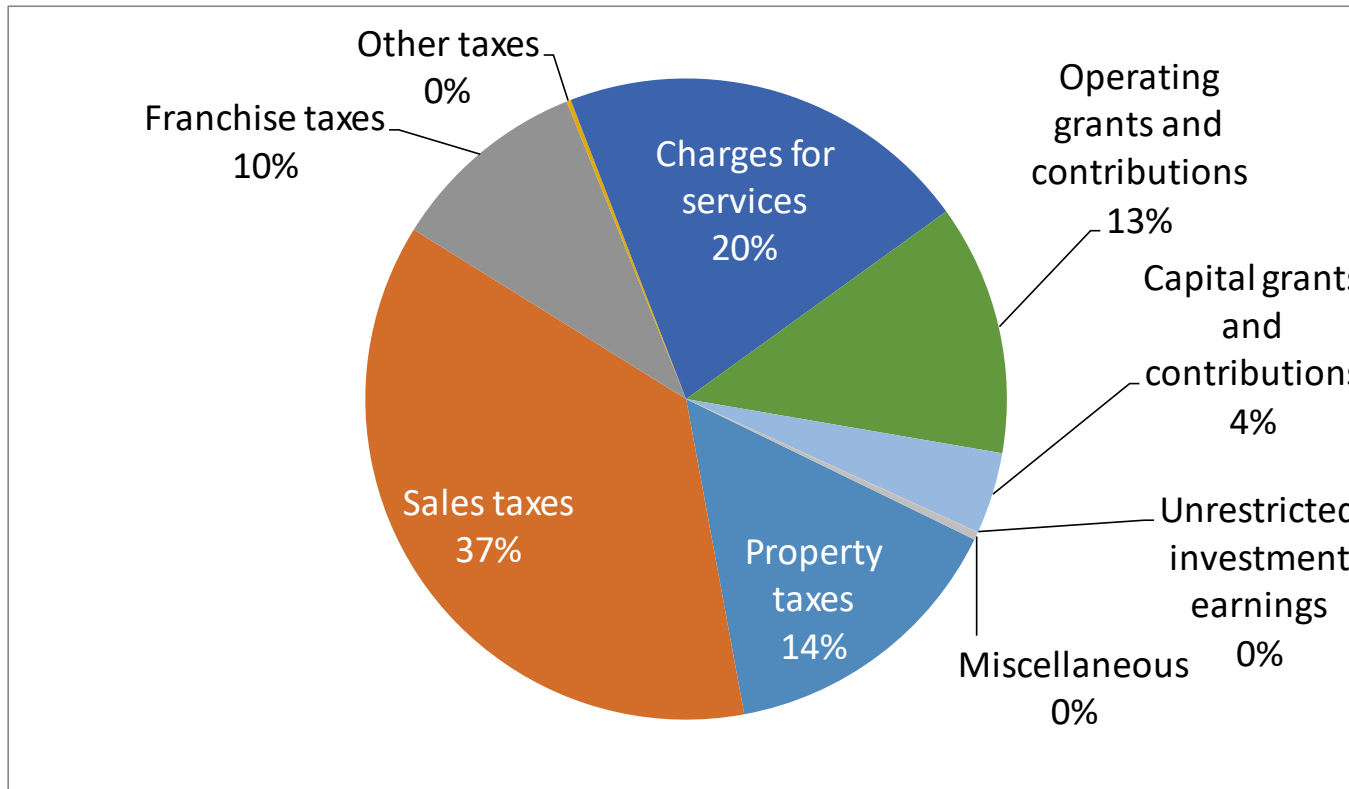


Revenue – Governmental Activities



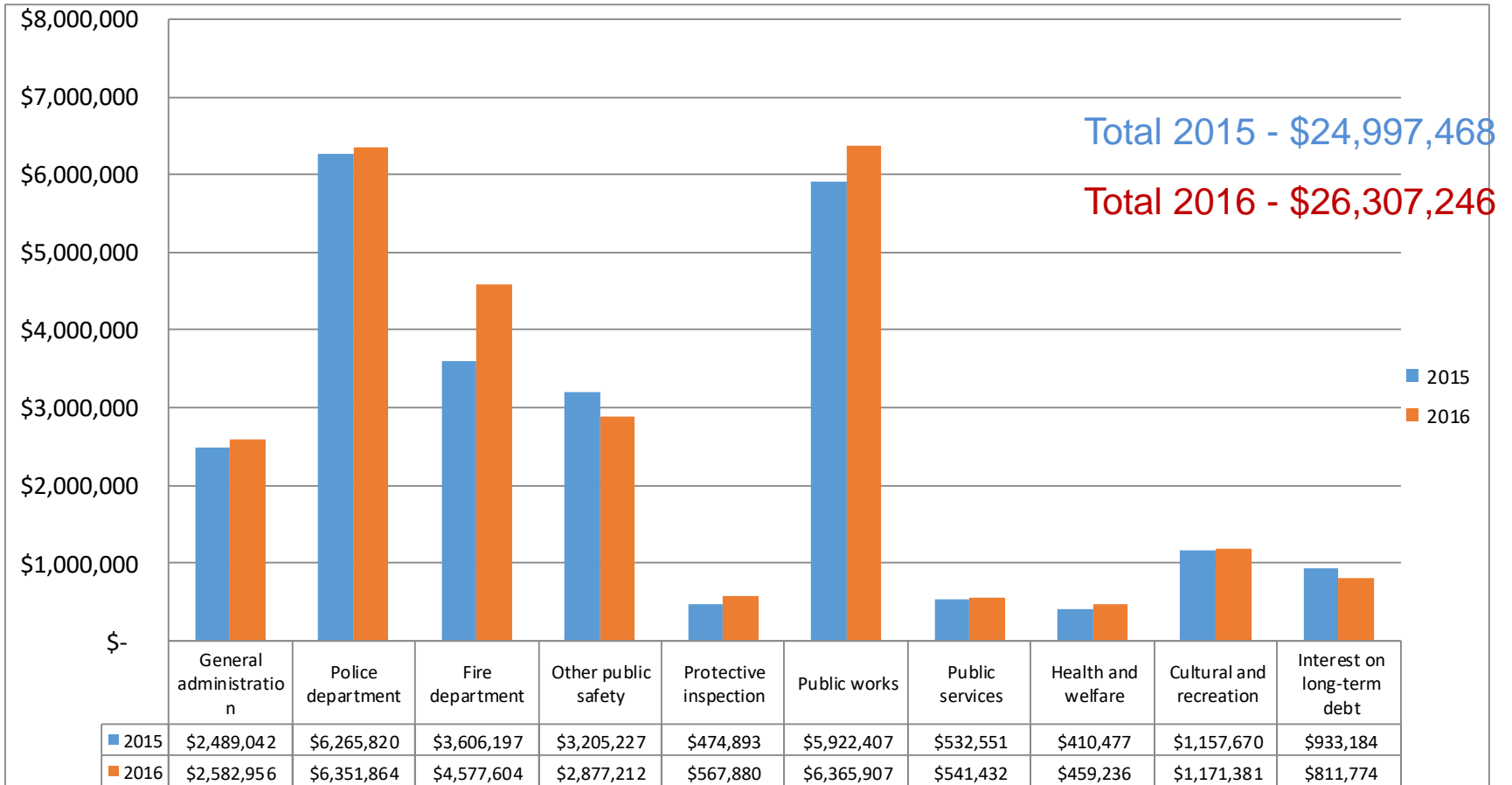


2016 Governmental Activities Revenue by Source



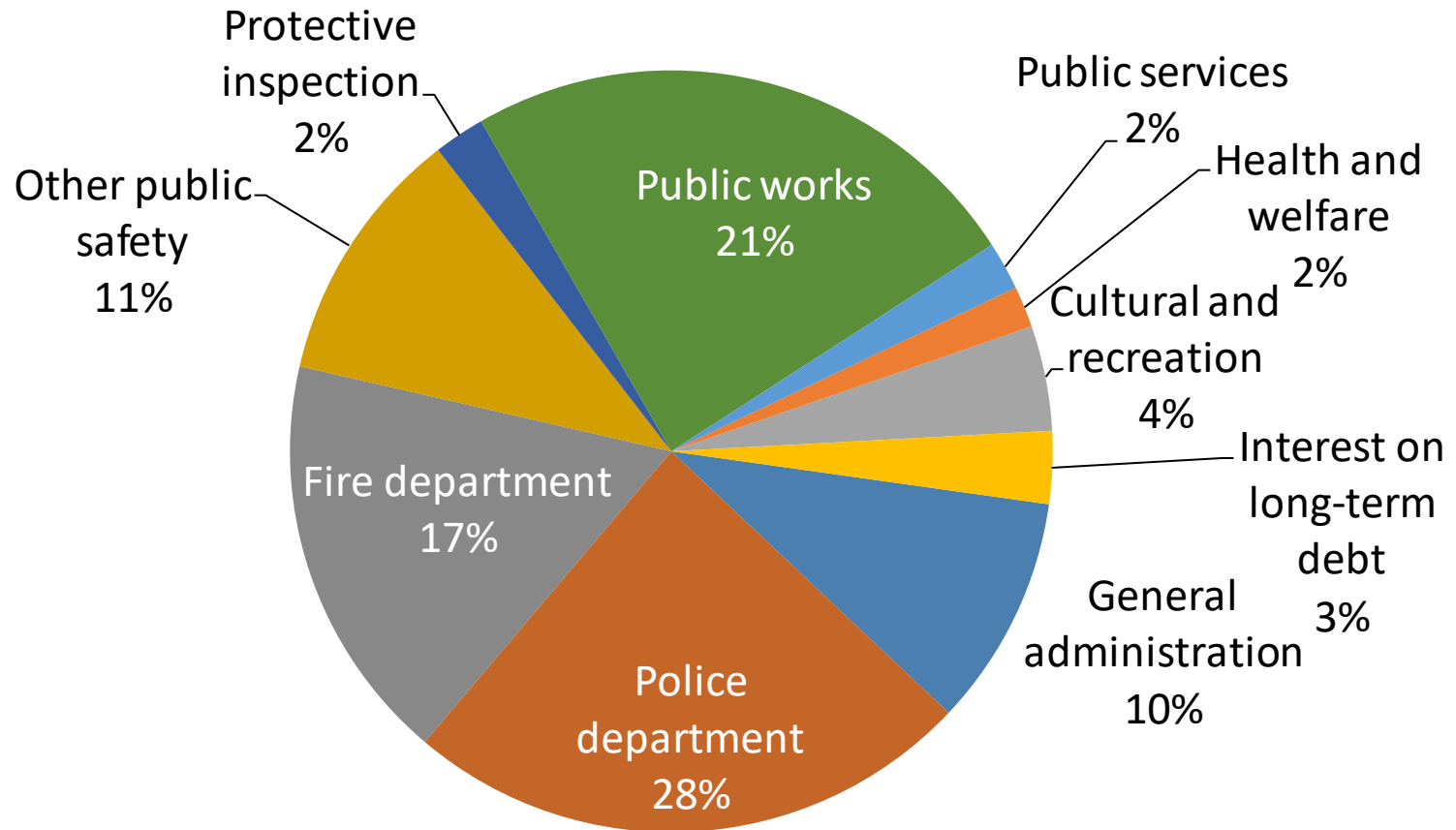


Expenses – Governmental Activities





2016 Expenses by Source Governmental Activities





Financial Highlights

Number of Days Expenditures in General Fund Unrestricted Fund Balance

The adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's own specific circumstances.

Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months (or 60 days) of regular general fund operating revenues or regular general fund operating expenditures

	<u>2016</u>	<u>2015</u>
Total expenditures	\$17,113,989	\$17,158,249
Average expenditures per day	\$46,887	\$47,008
Unrestricted general fund balance	\$3,405,025	\$3,397,384
Number of days expenditures in unassigned general fund balance	73	72



Other Auditor's Reports

Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

- No material weaknesses or significant deficiencies noted

Examination of City's Compliance With Certain Arkansas State Acts

- Unmodified opinion on City's compliance with specific state requirements





experience 



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Questions?