



FYE 2020 Comprehensive Annual Financial Report Highlights



PRESENTED BY: AMANDA EAVES, PARTNER AND SHEKITA RAWLS, SENIOR MANAGER

Comprehensive Annual Financial Report Components

- Introductory Section (*pages i-xvii*)
 - General information on the City structure, services and environment
- Financial Section (*pages 1-122*)
 - Basic financial statements and supplementary information
- Statistical Section (*pages 123-164*)
 - Trend data and nonfinancial data

Introductory Section: Transmittal Letter

- Awards and Acknowledgements
 - GFOA Triple Crown Recipient
 - Certificate of Achievement for in Financial Reporting - 44 consecutive years
 - Distinguished Budget Presentation Award – 33 consecutive years
 - Popular Annual Financial Reporting Award
 - GTOT Certificate of Distinction for City's Investment Policy

FINANCIAL SECTION:

GOVERNMENT WIDE STATEMENT OF NET POSITION

Comparative Statement of Net Position
September 30, 2020, and 2019
Amounts in (000's)

	Net Position					
	Governmental		Business-type		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 186,490	\$ 153,973	\$ 231,423	\$ 153,186	\$ 417,913	\$ 307,159
Capital assets	863,249	860,947	414,669	374,349	1,277,918	1,235,296
Total assets	1,049,739	1,014,920	646,091	527,535	1,695,830	1,542,455
Deferred outflows of resources	15,134	20,856	2,191	2,837	17,325	23,693
Liabilities						
Current	17,204	19,155	18,633	11,598	35,837	30,753
Long-term liabilities outstanding	480,762	472,634	360,155	259,005	840,917	731,639
Total liabilities	497,966	491,789	378,788	270,603	876,754	762,392
Deferred inflows of resources	4,275	153	622	21	4,897	174
Net position:						
Net investment in capital assets	490,304	488,077	213,081	214,672	703,385	702,749
Restricted	44,928	56,491	9,064	15,270	53,992	71,761
Unrestricted	27,400	(734)	46,727	29,806	74,127	29,072
Total net position	\$ 562,632	\$ 543,834	\$ 268,873	\$ 259,748	\$ 831,505	\$ 803,582

FINANCIAL SECTION: GOVERNMENT WIDE STATEMENT OF ACTIVITIES

Comparative Statement of Activities September 30, 2020, and 2019 Amounts in (000's)

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 24,861	\$ 27,784	\$ 62,465	\$ 64,317	\$ 87,326	\$ 92,101
Operating grants and contributions	18,101	9,005	225	1,497	18,326	10,502
Capital grants and contributions	7,148	16,678	1,456	4,113	8,604	20,791
General revenues:						
Property taxes	97,106	89,930	-	-	97,106	89,930
Sales and use taxes	34,928	34,872	-	-	34,928	34,872
Franchise taxes	7,270	7,480	-	-	7,270	7,480
Investment income	1,626	3,293	1,277	2,947	2,903	6,240
Other	4,865	560	13	2,361	4,878	2,921
Total revenues	195,905	189,602	65,436	75,235	261,341	264,837
Expenses						
General government	25,504	21,249	-	-	25,504	21,249
Public safety	51,031	47,948	-	-	51,031	47,948
Public works	44,862	46,631	-	-	44,862	46,631
Community services	4,383	4,616	-	-	4,383	4,616
Parks and recreation	8,197	7,683	-	-	8,197	7,683
Economic development	28,683	33,470	-	-	28,683	33,470
Interest on long-term debt	14,042	14,017	-	-	14,042	14,017
Water and sewer	-	-	45,055	39,413	45,055	39,413
Solid waste	-	-	7,930	7,752	7,930	7,752
Total expenses	176,702	175,614	52,984	47,165	229,686	222,779
Increase in Net Position						
Before Transfers	19,203	13,988	12,451	28,070	31,654	42,058
Transfers	5,460	11,364	(5,460)	(11,364)	(0)	-
Change in Net Position	24,663	25,352	6,991	16,706	31,654	42,058
Net Position, Beginning, as Previously Reported	543,834	518,482	259,748	243,042	803,582	761,524
Restatement: correction of errors	(5,865)	-	2,133	-	(3,732)	-
Net Position, Beginning, as restated	537,969	518,482	261,881	243,042	799,850	761,524
Net Position, Ending	\$ 562,632	\$ 543,834	\$ 268,873	\$ 259,748	\$ 831,505	\$ 803,582

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

- The City's significant accounting policies are described here.

Notes to Financial Statements

Note 3 - Receivables

Proprietary Funds:

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
Receivables:				
Customer accounts				
Billed	\$ 3,874,899	\$ 732,312	\$ 3,278,852	\$ 8,069
Unbilled	11,552,573	596,047	12,148,620	
Interest	27,215	-	27,215	-
Allowance for uncollectibles	(604,752)	(201,570)	(806,322)	-
	<u>\$14,849,935</u>	<u>\$ 1,126,789</u>	<u>\$14,648,365</u>	<u>\$ 8,069</u>

City utility customers are billed on the basis of monthly cycle billings. At fiscal year end, the City accrues estimated unbilled revenues for water and sewer services and solid waste services provided before the period ended September 30, to be billed after year end.

Notes to Financial Statements

Note 9: Employee Retiree System (TMRS)

Changes in the Net Pension Liability

	TPL (a)	Plan Fiduciary Net Position (b)	NPL (a) - (b)
Balances at October 1, 2019	\$ 158,296,499	\$ 127,961,360	\$ 30,335,139
Changes for the year:			
Service cost	8,361,735	-	8,361,735
Interest	10,784,493	-	10,784,493
Difference between expected and actual experience	249,817	-	249,817
Changes of assumptions	952,323	-	952,323
Contributions – employer	-	6,543,589	(6,543,589)
Contributions – employee	-	3,439,022	(3,439,022)
Net investment income	-	19,805,631	(19,805,631)
Benefit payments, including refunds of employee contributions	(5,414,199)	(5,414,199)	-
Administrative expenses	-	(111,780)	111,780
Other changes	-	(3,358)	3,358
Net changes	14,934,169	24,258,905	(9,324,736)
Balances at September 30, 2020	\$ 173,230,668	\$ 152,220,265	\$ 21,010,403

See significant actuarial assumptions described in this note.

Notes to Financial Statements

Note 10: Other Postemployment Benefits

	TMRS -		
	Supplemental	Retiree Health	
	Death	Care Plan	Total
	Benefits Fund	Care Plan	Total
Total OPEB Liability	\$ 1,550,183	\$ 6,074,955	\$ 7,625,138
Deferred outflows of resources	409,591	1,406,264	1,815,855
Deferred inflows of resources	264,466	66,204	330,670
OPEB expense	155,063	734,119	889,182

See significant actuarial assumptions described in this note.

Notes to Financial Statements

Note 15: Restatements

	Government Type Activities	Business Type Activities Proprietary Fund		Total	Government Type Activities
		Water and Sewer Fund	Solid Waste Fund		Proprietary Fund Internal Service Fund
September 30, 2019 net position, as previously reported	\$ 543,834,323	\$ 258,125,811	\$ 1,622,217	\$ 259,748,028	\$ 259,748,028
Restatement to correct beginning balances for:					
Capital assets, net of depreciation	(3,353,886)	329,612	-	329,612	-
Capital assets, non depreciable	-	538,117	-	538,117	-
Receivables, net	-	-	(758,304)	(758,304)	-
Net pension liability and total other post employment benefit liabilities and related deferred outflows and inflows of resources	(115,338)	115,338	-	115,338	(120,958)
Accrued claims liabilities	(487,017)	-	-	-	(487,017)
Internal balances - Internal service fund activities allocation	(1,908,509)	1,908,509	-	1,908,509	-
	(5,864,750)	2,891,576	(758,304)	2,133,272	(607,975)
September 30, 2019 net position, as restated	\$ 537,969,573	\$ 261,017,387	\$ 863,913	\$ 261,881,300	\$ 259,140,053

Audits of Financial Statements and Compliance

- Audit of September 30, 2020 Financial Statements
- Compliance Audits:
 - Federal Single Audit (guidance delayed, released on Dec 22, 2020)
 - Two major programs
 - COVID-19 – Coronavirus Relief Fund
 - State Highway Planning Cluster
 - State Single Audit
 - TXDOT – McHard Road Project



Questions?

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Thank You!