

FORVISTM



City of Kerrville, Texas

FY2023 Audit Presentation

Introductions



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Agenda



Audit Scope and Results



Financial Trends



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.

Audit Scope and Results

- Unmodified “Clean” Opinions
 - Independent Auditor’s Report on Basic 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

Audit Scope and Results (cont.)

- Qualitative Aspects of Significant Accounting Policies and Practices
 - Significant Accounting Policies
 - The City's significant accounting policies are described in *Note 1* of the audited financial statements.
 - Implementation of GASB 96, *Subscription-Based Information Technology Arrangements* (SBITAs)
 - Alternative Accounting Treatments
 - No matters are reportable

Audit Scope and Results (cont.)

- Qualitative Aspects of Significant Accounting Policies and Practices (continued)
 - Management Judgments and Accounting Estimates
 - Allowance for uncollectible accounts receivable
 - Defined benefit pension plan assumptions
 - Other postemployment benefit plan assumptions
 - Commitments and contingent liabilities
 - Key estimates related to leases and SBITAs – discount rate, terms, and payments
 - Financial Statement Disclosures
 - Net pension liability
 - Total OPEB liability
 - Construction commitments and contingent liabilities
 - Subsequent events

Audit Scope and Results (cont.)

- Audit Adjustments
 - Proposed audit adjustments recorded:
 - Adjust net pension liability and total other postemployment benefit liability and related deferred inflows/outflows of resources (outsourced to FORVIS)
 - Adjust various fund balances
 - Adjustments to convert from modified-accrual basis statements to full accrual statements (outsourced to FORVIS)
 - Proposed audit adjustments not recorded:
 - None

Audit Scope and Results (cont.)

- Auditor's Judgments About the Quality of the City's Accounting Principles
 - No matters are reportable.
- Significant Issues Discussed with Management During the Audit Process
 - Implementation of GASB Statement No. 96

Financial Trends

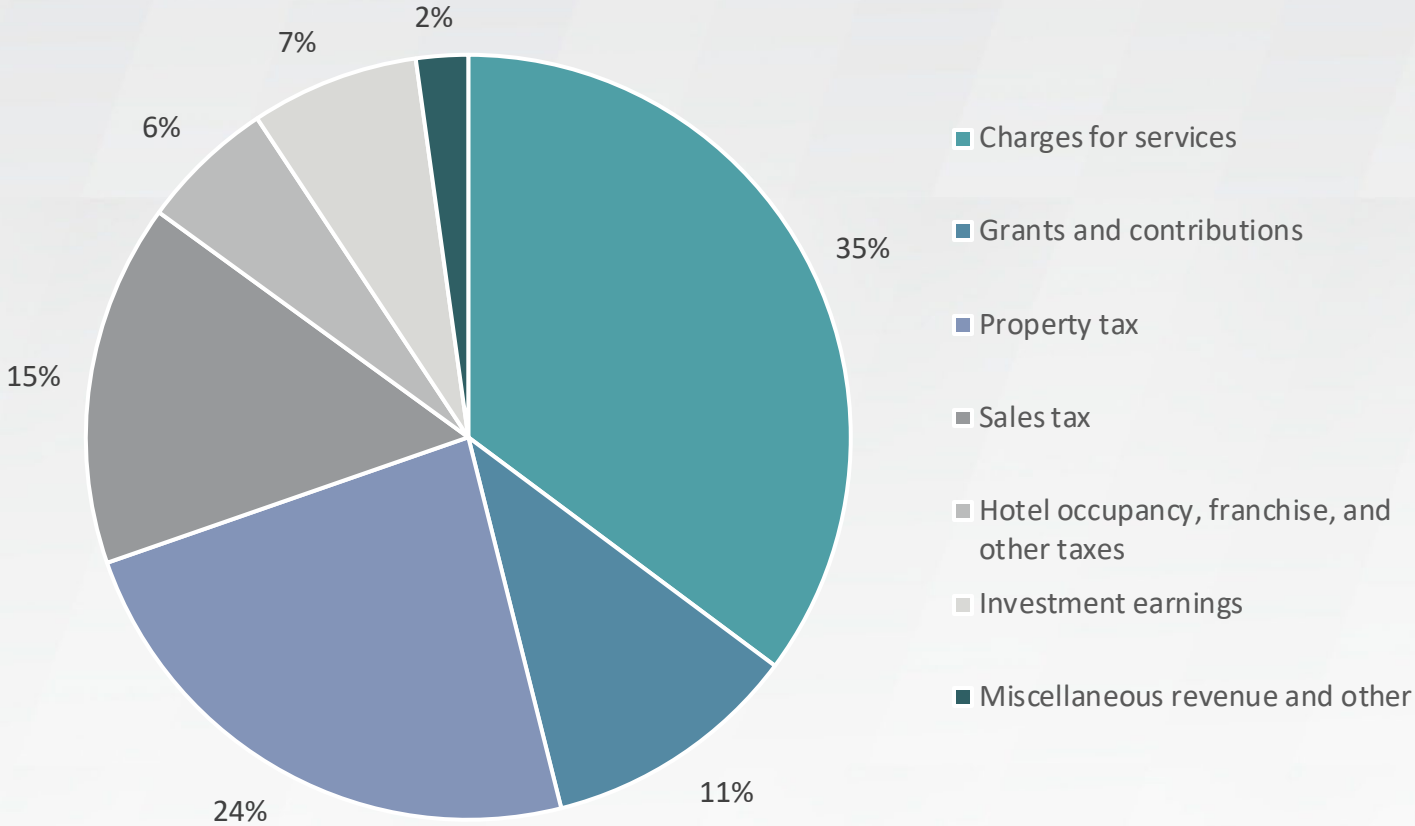
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Kerrville Government-wide Revenues by Source

\$65.6 million

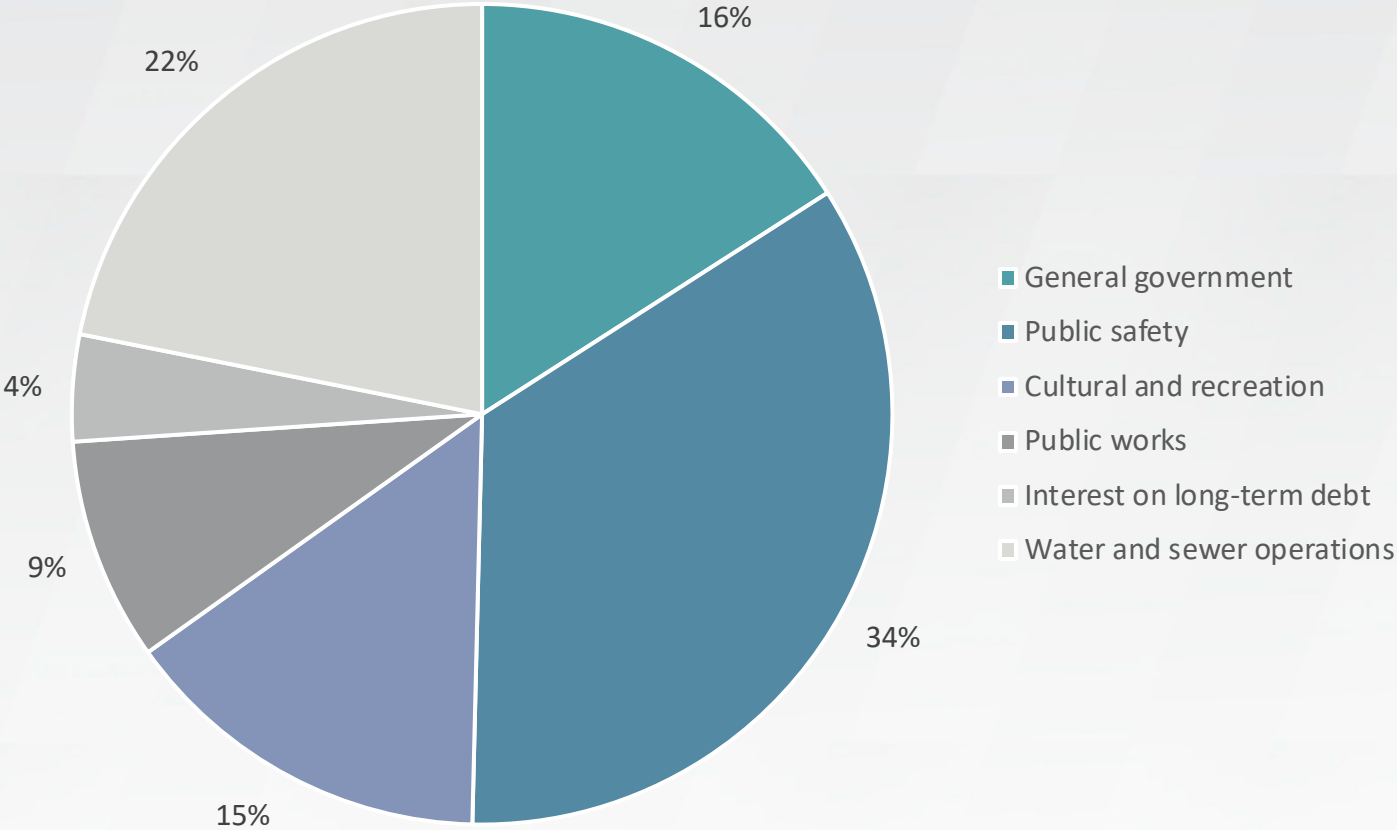
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Kerrville Government-wide Expenses by Function/Program

\$56.0 million

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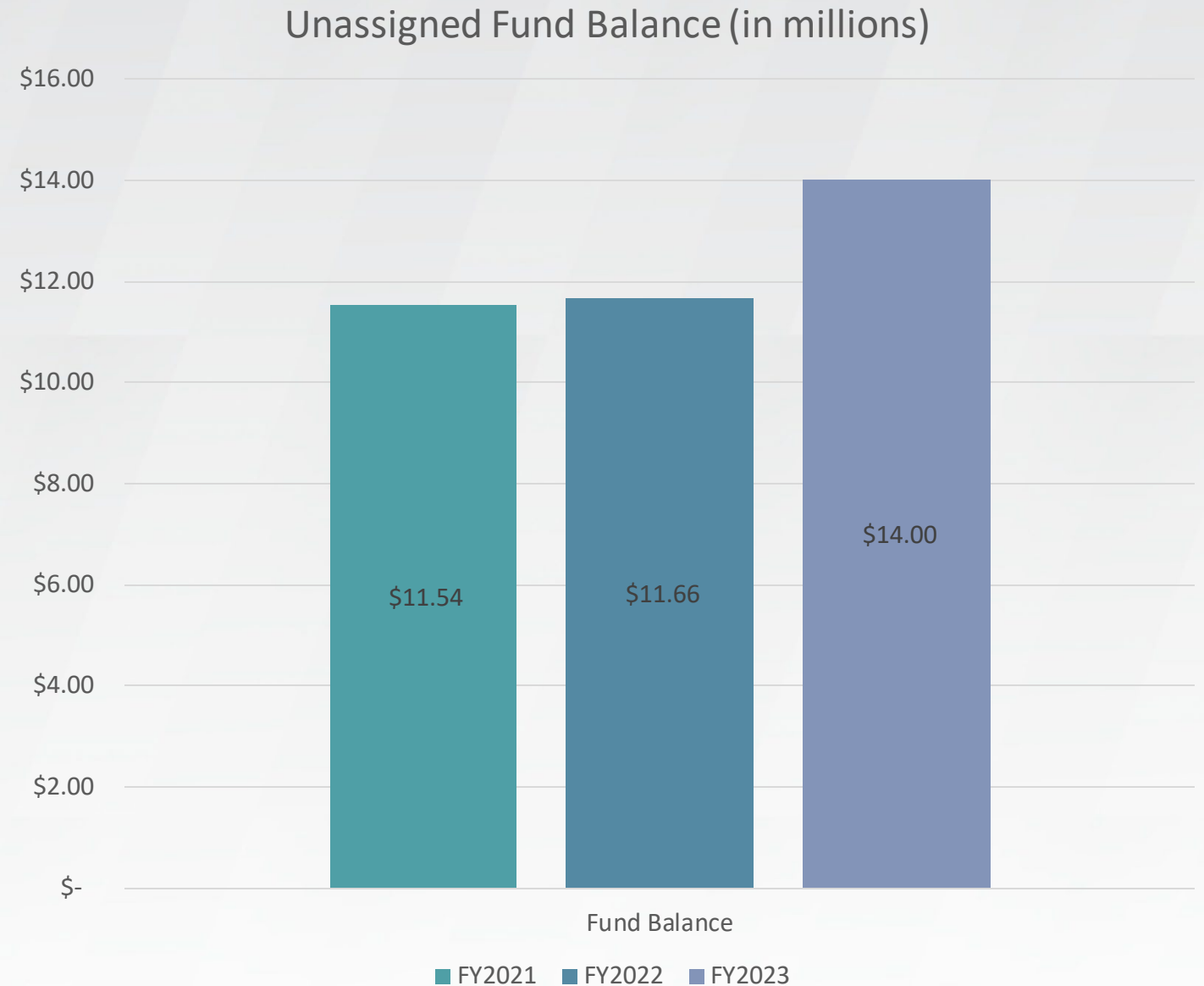


Pension - Texas Municipal Retirement System – Primary Government

	FY2021	FY2022	FY2023
Net Pension Liability (Asset)	\$5.0M	\$(0.8)M	\$12.8M
Plan fiduciary net position as a % of the total pension liability	94.6%	100.8%	87.6%

General Fund – Fund Balance

- Ending unassigned fund balance for the General Fund was \$14.00M
- Total fund balance increased \$1,548,546 or 8.3% from FY2022
- Unassigned fund balance is equal to 38.1% of FY2023 General Fund expenditures



Questions?

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