

# ACFR Financial Statements and Their Elements

October 17, 2023

# Meet the Speakers



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*Senior Audit Associate*



# Agenda

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- ▶ What is an Annual Comprehensive Financial Report(“ACFR”), and what makes it different
- ▶ Identify the main sections of an ACFR
- ▶ Modified or Full Accrual and Fund Accounting
- ▶ Fund Financial Statements
- ▶ Government Wide Financial Statements
- ▶ Reconciling Fund Financial Statements to the Government Wide Financial Statements
- ▶ Note 1 Significant Accounting Policies and Other Note Disclosures
- ▶ Supplementary Information and Schedule of Expenditure of Federal Awards

**What is an Annual Comprehensive Financial Report(“ACFR”), and what makes it different**



# Why ACFR?

- ▶ The GASB requires additional information beyond the basic financial statements (Required Supplementary Information)
  - Management's Discussion and Analysis
  - Budgetary reporting
  - Funding and liability data on pension and OPEB
  - Infrastructure condition (if modified approach used)
  - Revenue and claims data (for public entity risk pools)
- ▶ The GASB encourages full ACFR
- ▶ GFOA Certificate of Achievement in Financial Reporting

# Basic Financial Statements vs ACFR

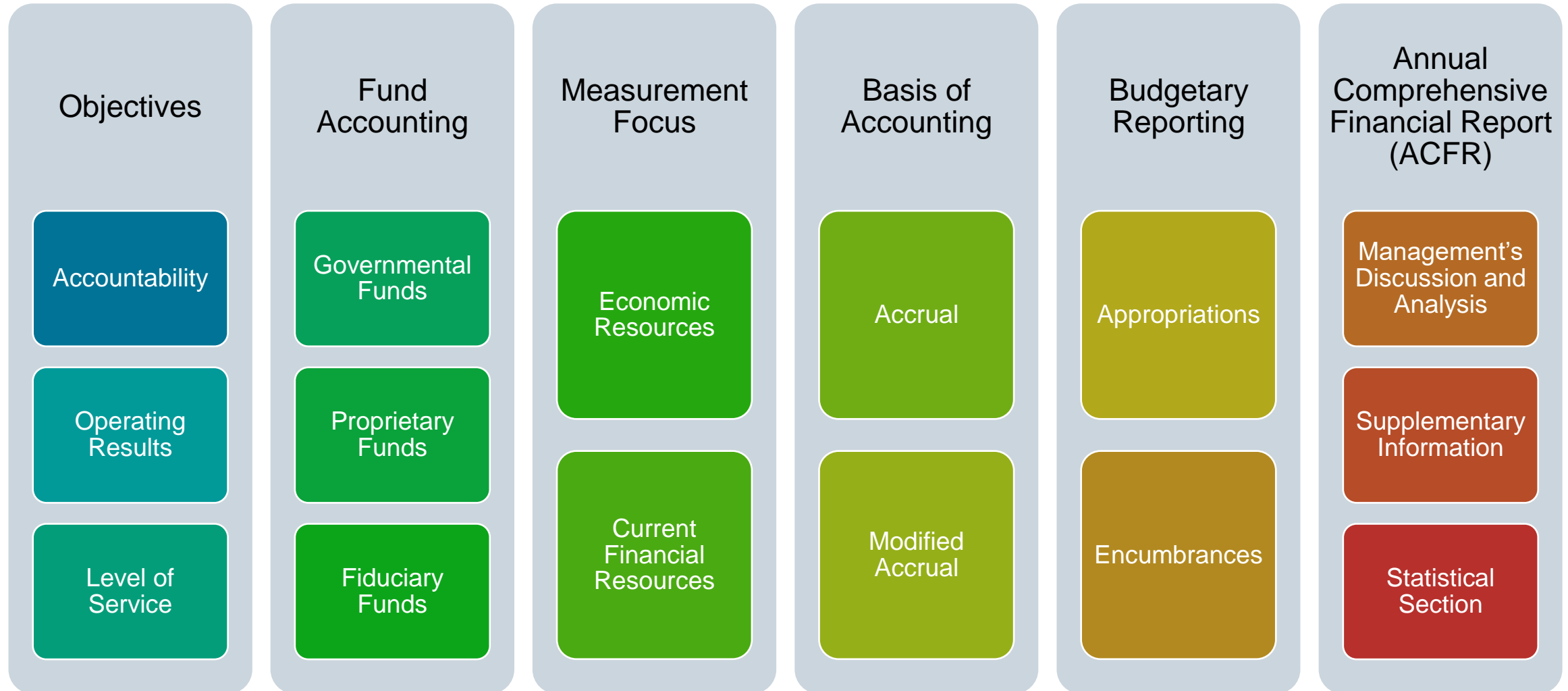
## Basic Financial Statements

- Minimum information necessary for fair presentation in conformity with GAAP
- Includes Government-Wide FS, Fund FS, and notes to the financial statements

## ACFR

- “Annual Comprehensive Financial Report”
- Includes Introductory Section, MD&A, Basic FS, RSI other than MD&A, combining and individual fund statements and schedules, and Statistical Section

# What Makes Govt Financial Reporting Different?



# Assessing Accountability

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*Interperiod Equity* – current period inflows of resources equals current period costs of services (burden of the cost of service is borne by present year taxpayers, rather than shifted to future taxpayers).

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Resources are obtained and used in accordance with *Legally Adopted Budget*

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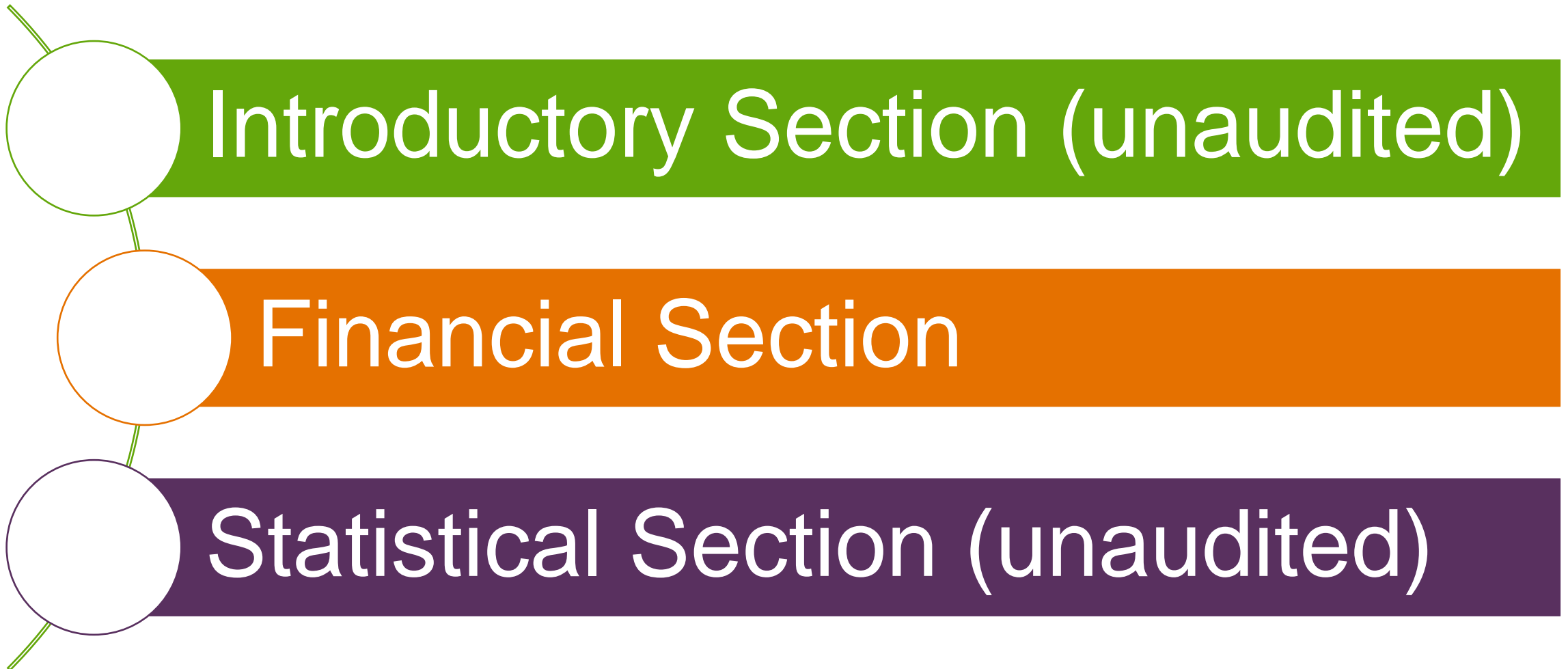
Assist users in assessing service efforts, costs, and accomplishments



**Identify the main sections of an ACFR**



# ACFR Structure



# ACFR – Introductory Section

- ▶ Table of Contents
- ▶ Letter(s) of transmittal
- ▶ Other material deemed appropriate by management
  - GFOA's "other material" includes:
    - ▷ Organizational chart
    - ▷ List of principal officials
    - ▷ Previous year's Certificate of Achievement



# ACFR – Financial Section

- ▶ Report of Independent Auditor
- ▶ MD&A
- ▶ Basic Financial Statements
- ▶ RSI (other than MD&A)
- ▶ Combining Statements (nonmajor funds and discretely presented component units)
- ▶ Individual Fund Statements and Schedules



# ACFR – Statistical Section

- ▶ Financial Trends
- ▶ Revenue Capacity
- ▶ Debt Capacity
- ▶ Demographic and Economic Information
- ▶ Operating Information



# **Modified or Full Accrual and Fund Accounting**

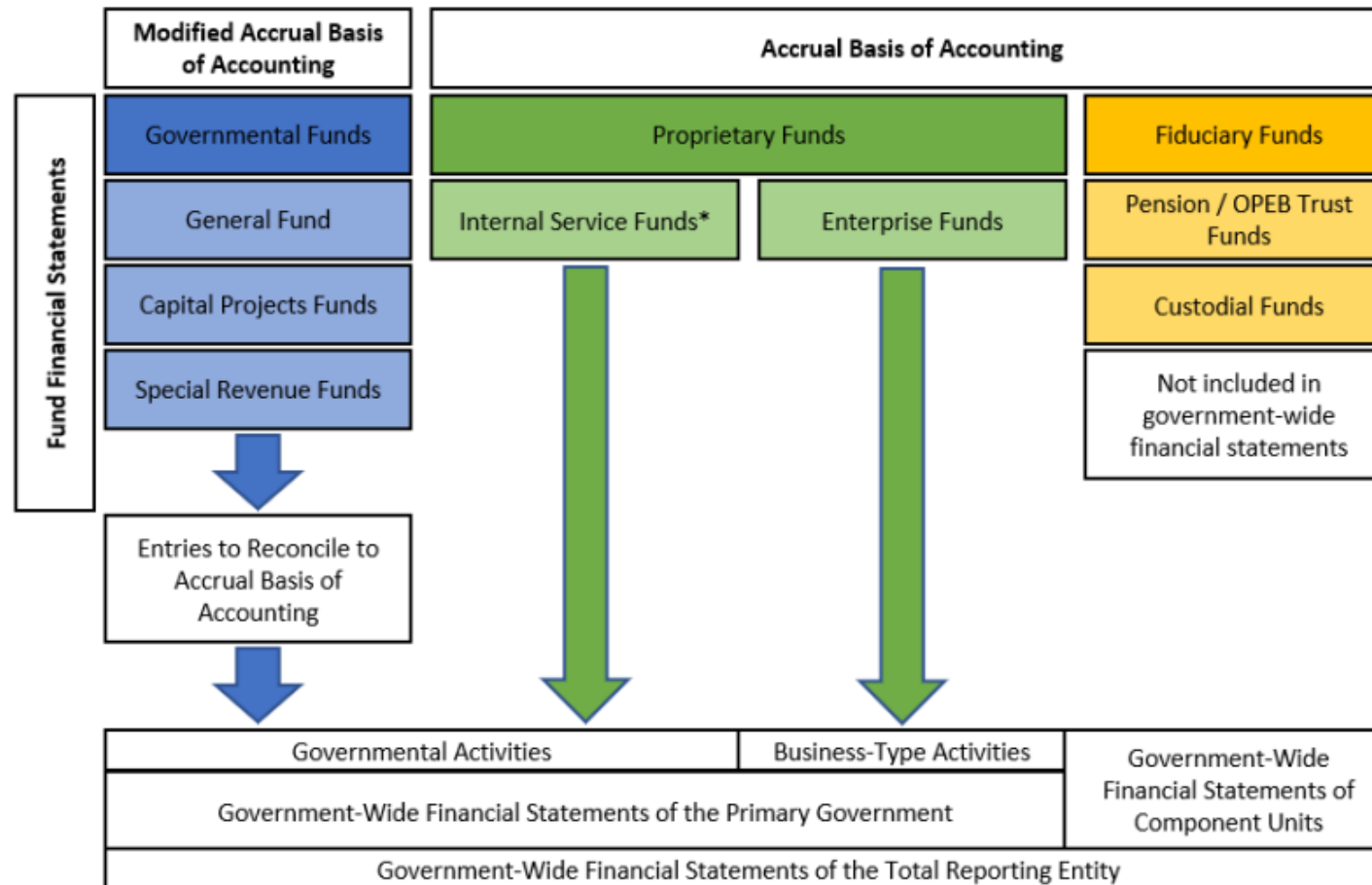


# Fund Accounting

- ▶ Due to special legal and contractual compliance requirements, governmental accounting systems are organized and operated on a fund basis
- ▶ This practice is more than 100 years old
- ▶ Fund – “a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.”



# Fund Accounting (cont.)



\* - The County's Internal Service Funds predominantly serve funds of the County Government.



# Governmental Funds

## Special Revenue

Sometimes legally required

Permitted when most revenue comes from a specific source

Revenue must be assigned, committed or restricted

## Capital Project

Account for resources that are restricted, committed, or assigned for capital outlays

Used for major capital project

Use is sometimes required by debt covenants, grant contracts, law, or regulation

Valuable management tool for multi-year projects

## Debt Service

To accumulate resources for debt service payments, either to fulfill contractual obligations or voluntarily

Use is frequently legally mandated

## Permanent

Account for resources that are restricted to the extent that only earnings may be spent

Examples include perpetual care endowment for a cemetery



# Proprietary Fund

## Enterprise

Required when either of the following criteria is met

- There is outstanding debt that is backed solely by fees and charges
- Laws or regs require that fees be set to recover costs
- There is a pricing policy that fees be set to recover costs

## Internal Service

Never required

- To report any activity that provides goods or services to other funds, departments, or agencies of the primary government on a cost-reimbursement basis.
- The fund must function on an essentially break-even basis over time



# Fiduciary Funds

## Pension Trust Funds

- Funds set aside to provide benefits to participants and the trust meets the irrevocable trust requirements

## Investment Trust Funds

- Funds set aside in a trust for investment purposes for external participants in a pool

## Private-Purpose Trust Funds

- Funds set aside in a trust for other purposes

## Custodial Funds

- Everything else



# Focus on Major Funds

	Percentage of total reported for that element	
Financial statement element	Governmental funds ("10 percent test")	Governmental funds + enterprise funds ("5 percent test")
Assets + deferred outflows of resources	$\geq 10\%$	$\geq 5\%$
Liabilities + deferred inflows of resources	$\geq 10\%$	$\geq 5\%$
Revenues	$\geq 10\%$	$\geq 5\%$
Expenditures/expense	$\geq 10\%$	$\geq 5\%$



# Measurement Focus and Basis of Accounting

## MEASUREMENT FOCUS

- ▶ What?
- ▶ Options
  - **Economic resources**
  - **Current financial resources**
  - Short term financial resources
  - Near term financial resources
  - Budget-focused

## BASIS OF ACCOUNTING

- ▶ When?
- ▶ Options
  - **Accrual**
  - **Modified accrual**
  - Cash
  - Modified cash



# Measurement Focus and Basis of Accounting

## Economic Resources and Accrual Basis

- Government Wide
- Proprietary Funds
- Fiduciary Funds

## Current Financial Resources and Modified Accrual Basis

- Governmental Funds



# Measurement Focus and Basis of Accounting

## Difference in Focus

Item	Economic resources?	Current financial resources?
Financial resources	Yes	Yes
Capital assets	Yes	No
Liabilities normally expected to be liquidated currently with expendable available financial resources	Yes	Yes
Liabilities normally NOT expected to be liquidated currently with expendable available financial resources	Yes	No

## Difference in Basis

Item	Accrual basis	Modified accrual basis
Revenue	When earned	When earned, <i>IF</i> MEASURABLE AND AVAILABLE <ul style="list-style-type: none"> <li>• Collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period</li> </ul>
Expense/ Expenditure	When liability incurred	When liability incurred, EXCEPT FOR: <ul style="list-style-type: none"> <li>• Unmatured debt</li> <li>• Accrued interest</li> <li>• Certain accrued liabilities normally not expected to be liquidated currently with expendable available financial resources</li> <li>• Prepaids</li> </ul>



# Financial Statements Overview

- ▶ Government Wide
  - Statement of net Position
  - Statement of Activities

- ▶ Governmental Fund Statements
  - Balance Sheet
  - Statement of Revenues, Expenditures, and Changes in Fund Balances

- ▶ Proprietary Fund Statements
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Fund Net Position
  - Statement of Cash Flows
- ▶ Fiduciary Fund Statements are similar (Statement of Fiduciary Net Position)





# **Fund Financial Statements**



① Governmental Funds  
As of December 31, 2016

④

	General	HUD Programs ③	Community Redevelopment	Route 7 Construction	Other Governmental Funds	Total Governmental Funds
<b>ASSETS ②</b>						
Cash and cash equivalents	\$ 3,418,485	\$ 1,238,523	\$ —	\$ —	\$ 5,806,792	\$ 10,261,800
Investments	—	—	13,282,695	10,487,037	3,485,252	27,214,984
Receivables, net	3,844,561	2,953,438	353,340	11,000	10,221	6,972,560
Due from other funds	1,370,757	—	—	—	—	1,370,757
Receivable from other governments	—	119,059	—	—	1,596,038	1,715,097
Liens receivable	791,926	3,195,745	—	—	—	3,987,671
Inventories	182,821	—	—	—	—	182,821
<b>Total assets</b>	<b>\$ 9,408,550</b>	<b>\$ 7,504,765</b>	<b>\$ 13,616,035</b>	<b>\$ 10,478,037</b>	<b>\$ 10,898,303</b>	<b>\$ 51,705,690</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 3,408,680	\$ 129,975	\$ 190,548	\$ 1,104,632	\$ 1,074,831	\$ 5,908,666
Due to other funds	—	25,369	—	—	—	25,369
Payable to other governments	94,074	—	—	—	—	94,074
Advances on grants	—	1,435,599	—	—	—	1,435,599
<b>Total liabilities</b>	<b>3,502,754</b>	<b>1,590,943</b>	<b>190,548</b>	<b>1,104,632</b>	<b>1,074,831</b>	<b>7,463,708</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenue—taxes	4,250,430	—	—	—	—	4,250,430
Unavailable revenue—grants	—	1,641,701	250,000	11,000	—	1,902,701
<b>Total deferred inflows of resources</b>	<b>4,250,430</b>	<b>1,641,701</b>	<b>250,000</b>	<b>11,000</b>	<b>—</b>	<b>6,153,131</b>
<b>Fund balances:</b>						
<b>Nonspendable:</b>						
Inventories	182,821	—	—	—	—	182,821
Nonexpendable corpus	—	—	—	—	1,405,300	1,405,300
<b>Restricted for:</b>						
Community development	—	576,376	2,119,314	—	—	2,695,690
Debt service	—	—	—	—	3,832,062	3,832,062
Capital projects	—	—	—	5,792,587	675,404	6,467,991
Other purposes ⑤	310,027	—	—	—	—	310,027
<b>Committed to:</b>						
Community development	—	500,000	11,056,173	—	—	11,556,173
Capital projects	—	—	—	2,569,818	—	2,569,818
Other purposes	40,292	—	—	—	1,138,718	1,179,010
<b>Assigned to:</b>						
Parks and recreation	100,000	—	—	—	1,007,077	1,107,077
Capital projects	—	—	—	1,000,000	1,241,270	2,241,270
Other purposes	—	—	—	—	323,641	323,641
<b>Unassigned ⑥</b>	<b>1,022,226</b>	<b>3,195,745</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,217,971</b>
<b>Total fund balances</b>	<b>1,655,366</b>	<b>4,272,121</b>	<b>13,175,487</b>	<b>9,362,405</b>	<b>9,623,472</b>	<b>38,088,851</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,408,550</b>	<b>\$ 7,504,765</b>	<b>\$ 13,616,035</b>	<b>\$ 10,478,037</b>	<b>\$ 10,898,303</b>	<b>\$ 51,705,690</b>

# Govt Fund Balance Sheet

1. Title includes period covered by Statement
2. No distinction between current and noncurrent because it only presents current financial resources
3. Presents only major funds
4. Funds that are not major are aggregated into a single column
5. Fund balance section can show this detail or aggregate and show details in notes

⑦ Amounts reported for governmental activities in the statement of net position are different because (see Note 4, also):

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	161,082,708
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	9,348,876
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,994,691
Deferred outflows of resources and deferred inflows of resources related to pension and retiree health insurance liabilities and derivatives are not reported in the funds.	9,782,596
Certain accounts payable are not due and payable in the current period and, therefore, are not reported in the funds.	(469,534)
Long-term liabilities, including bonds payable and retirement benefits, are not due and payable in the current period and, therefore, are not reported in the funds (see Note 4a).	(188,252,504)
<b>Net position of governmental activities</b>	<b>\$ 32,575,684</b>



ASSETS ②

	General	HUD Programs ③	Community Redevelopment	Route 7 Construction	Other Governmental Funds ④	Total Governmental Funds
Cash and cash equivalents	\$ 3,418,485	\$ 1,238,523	\$ —	\$ —	\$ 5,806,792	\$ 10,261,800
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES,  
AND FUND BALANCES

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Other purposes	—	—	—	—	323,641	323,641
Unassigned ⑥	<u>1,022,226</u>	<u>3,195,745</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,217,971</u>
Total fund balances	<u>1,655,366</u>	<u>4,272,121</u>	<u>13,175,487</u>	<u>9,362,405</u>	<u>9,823,472</u>	<u>38,088,851</u>
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161,082,708  
9,348,876  
2,994,691  
9,782,596  
(469,534)  
(188,252,504)  
\$ 32,575,684

# Govt Fund Balance Sheet (continued)

- Unassigned should be a positive number only in the general fund
- The statement must include a reconciliation to the net position of governmental activities



For the Year Ended December 31, 2016

**REVENUES** ①

	General	② HUD Programs	③ Community Redevelopment	Route 7 Construction	④ Other Governmental Funds	Total Governmental Funds
Property taxes	\$ 51,173,436	\$ —	\$ —	\$ —	\$ 4,680,192	\$ 55,853,628
Franchise taxes	4,055,505	—	—	—	—	4,055,505
Public service taxes	8,969,887	—	—	—	—	8,969,887
Fees and fines	606,946	—	—	—	—	606,946
Licenses and permits	2,287,794	—	—	—	—	2,287,794
Intergovernmental	6,119,938	2,578,191	—	—	2,830,916	11,529,045
Charges for services	11,374,460	—	—	—	30,708	11,405,168
Investment earnings	552,325	87,106	549,489	270,161	364,330	1,823,411
Miscellaneous	881,874	66,176	—	2,939	94	951,083
Total revenues	86,022,165	2,731,473	549,489	273,100	7,906,240	97,482,467

**EXPENDITURES** ⑤

Current:						
General government	8,630,835	—	417,814	16,700	121,052	9,186,401
Public safety	33,729,623	—	—	—	—	33,729,623
Public works	4,975,775	—	—	—	3,721,542	8,697,317
Engineering services	1,299,645	—	—	—	—	1,299,645
Health and sanitation	6,070,032	—	—	—	—	6,070,032
Cemetery	706,305	—	—	—	—	706,305
Culture and recreation	11,411,685	—	—	—	—	11,411,685
Community development	—	2,954,389	—	—	—	2,954,389
Education—payment to school district	21,893,273	—	—	—	—	21,893,273
Debt service:						
Principal	—	—	—	—	3,450,000	3,450,000
Interest and other charges	—	—	—	—	5,215,151	5,215,151
Capital outlay ⑥	—	—	2,246,671	11,281,769	3,190,209	16,718,649
Total expenditures	88,717,173	2,954,389	2,664,485	11,298,469	15,697,954	121,332,470

Excess (deficiency) of revenues over expenditures ⑦	(2,695,008)	(222,916)	(2,114,996)	(11,025,369)	(7,791,714)	(23,850,003)
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**OTHER FINANCING SOURCES (USES)**

Proceeds of long-term capital-related debt	—	—	17,529,560	—	2,060,856	19,590,416
Transfers in	129,323	—	—	—	5,551,187	5,680,510
Transfers out	(2,163,759)	(348,046)	(2,273,187)	—	(219,076)	(5,004,068)
Total other financing sources and uses	(2,034,436)	(348,046)	15,256,373	—	7,392,967	20,266,856

**SPECIAL ITEM**

Proceeds from sale of park land ⑧	3,476,488	—	—	—	—	3,476,488
Net change in fund balances	(1,252,956)	(570,962)	13,141,377	(11,025,369)	(398,747)	(106,657)
Fund balances—beginning	2,908,322	4,843,083	34,110	20,387,774	10,022,219	38,195,508
Fund balances—ending ⑨	\$ 1,655,366	\$ 4,272,121	\$ 13,175,487	\$ 9,362,405	\$ 9,623,472	\$ 38,088,851

## Govt Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

1. In govt funds, revenues are reported only if transaction has occurred and cash is received during the year or shortly thereafter. Reported by major source.
2. Special Revenue fund formed to report federal aid received from HUD.



For the Year Ended December 31, 2016

**REVENUES** ①

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Public service taxes	8,969,887	—	—	—	—	8,969,887
Fees and fines	606,946	—	—	—	—	606,946
Licenses and permits	2,287,794	—	—	—	—	2,287,794
Intergovernmental	6,119,938	2,578,191	—	—	2,830,916	11,529,045
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Public works	4,975,775	—	—	—	3,721,542	8,697,317
Engineering services	1,299,645	—	—	—	—	1,299,645
Health and sanitation	6,070,032	—	—	—	—	6,070,032
Cemetery	706,305	—	—	—	—	706,305
Culture and recreation	11,411,685	—	—	—	—	11,411,685
Community development	—	2,954,389	—	—	—	2,954,389
Education—payment to school district	21,893,273	—	—	—	—	21,893,273
Debt service:						
Principal	—	—	—	—	3,450,000	3,450,000
Interest and other charges	—	—	—	—	5,215,151	5,215,151
Capital outlay ⑥	—	—	2,246,671	11,281,769	3,190,209	16,718,649
Total expenditures	88,717,173	2,954,389	2,664,485	11,298,469	15,697,954	121,332,470

Excess (deficiency) of revenues over expenditures ⑦ (2,695,008) (222,916) (2,114,996) (11,025,369) (7,791,714) (23,850,003)

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**Govt Fund Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)**

3. Capital Project funds
4. No Debt Service or Permanent funds that qualified as major
5. Expenditures are recorded when govt has received a good or service and payment is normally due. Reported by major function.



For the Year Ended December 31, 2016

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	General	② HUD Programs	③ Community Redevelopment	Route 7 Construction	④ Other Governmental Funds	Total Governmental Funds
Property taxes	\$ 51,173,436	\$ —	\$ —	\$ —	\$ 4,680,192	\$ 55,853,628
Franchise taxes	4,055,505	—	—	—	—	4,055,505
Public service taxes	8,969,887	—	—	—	—	8,969,887
Fees and fines	606,946	—	—	—	—	606,946
Licenses and permits	2,287,794	—	—	—	—	2,287,794
Intergovernmental	6,119,938	2,578,191	—	—	2,830,916	11,529,045
Charges for services	11,374,460	—	—	—	30,708	11,405,168
Investment earnings	552,325	87,106	549,489	270,161	364,330	1,823,411
Miscellaneous	881,874	66,176	—	2,939	94	951,083
Total revenues	86,022,165	2,731,473	549,489	273,100	7,906,240	97,482,467

**EXPENDITURES** ⑤

Current:						
General government	8,630,835	—	417,814	16,700	121,052	9,186,401
Public safety	33,729,623	—	—	—	—	33,729,623
Public works	4,975,775	—	—	—	3,721,542	8,697,317
Engineering services	1,299,645	—	—	—	—	1,299,645
Health and sanitation	6,070,032	—	—	—	—	6,070,032
Cemetery	706,305	—	—	—	—	706,305
Culture and recreation	11,411,685	—	—	—	—	11,411,685
Community development	—	2,954,389	—	—	—	2,954,389
Education—payment to school district	21,893,273	—	—	—	—	21,893,273
Debt service:						
Principal	—	—	—	—	3,450,000	3,450,000
Interest and other charges	—	—	—	—	5,215,151	5,215,151
Capital outlay ⑥	—	—	2,246,671	11,281,769	3,190,209	16,718,649
Total expenditures	88,717,173	2,954,389	2,664,485	11,298,469	15,697,954	121,332,470

Excess (deficiency) of revenues over expenditures ⑦ (2,695,008) (222,916) (2,114,996) (11,025,369) (7,791,714) (23,850,003)

**OTHER FINANCING SOURCES (USES)**

Proceeds of long-term capital-related debt	—	—	17,529,560	—	2,060,856	19,590,416
Transfers in	129,323	—	—	—	5,551,187	5,680,510
Transfers out	(2,163,759)	(348,046)	(2,273,187)	—	(219,076)	(5,004,068)
Total other financing sources and uses	(2,034,436)	(348,046)	15,256,373	—	7,392,967	20,266,858

**SPECIAL ITEM**

Proceeds from sale of park land ⑧	3,476,488	—	—	—	—	3,476,488
Net change in fund balances	(1,252,956)	(570,962)	13,141,377	(11,025,369)	(398,747)	(106,657)
Fund balances—beginning	2,908,322	4,843,083	34,110	20,387,774	10,022,219	38,195,508
Fund balances—ending ⑨	\$ 1,655,366	\$ 4,272,121	\$ 13,175,487	\$ 9,362,405	\$ 9,623,472	\$ 38,088,851

**Govt Fund Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)**

- Debt service and capital outlay are outflows (basic difference in measurement focus)
- Every fund had a deficit. Capital projects funds deficit is due to the inflows (debt proceeds) being part of other financing sources.





# Prop Fund Statement of Net Position

1. The water and sewer system has to identifiable segments (water services and sewer services). Additional information would be provided in the notes.
2. Internal Service funds are aggregated in a single column.
3. Internal service funds are usually combined with govt funds on the govt wide statements
4. A govt is prohibited from using restricted assets for operating purposes

	Business-Type Activities— Enterprise Funds			Governmental Activities— Internal Service Funds (Note 5)
	① Water and Sewer	Parking Facilities	Total	③
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 8,416,653	\$ 1,804,767	\$ 10,221,420	\$ 3,336,099
Investments	47,596,245	—	47,596,245	150,237
Receivables, net	3,564,586	3,535	3,568,121	157,804
Due from other governments	41,494	—	41,494	—
Inventories	126,674	—	126,674	139,328
Total current assets	59,745,652	1,808,302	61,553,954	3,783,468
Noncurrent assets:				
Restricted cash and cash equivalents	④ —	1,493,322	1,493,322	—
Capital assets:				
Land	813,513	3,021,637	3,835,150	—
Distribution and collection systems	39,504,183	—	39,504,183	—
Buildings and equipment	106,135,666	23,029,166	129,164,832	⑤ 14,721,786
Less accumulated depreciation	(15,328,911)	(5,786,503)	(21,115,414)	(5,781,734)
Total capital assets	131,124,451	20,264,300	151,388,751	8,940,052
Total noncurrent assets	131,124,451	21,757,622	152,882,073	8,940,052
Total assets	190,870,103	23,565,924	214,436,027	12,723,520
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	4,849,872	149,996	4,999,868	—
Retiree health insurance	2,909,967	89,999	2,999,966	—
Total deferred outflows of resources	7,759,839	239,995	7,999,835	—
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	447,427	304,003	751,430	780,570
Due to other funds	175,000	—	175,000	1,170,388
Compensated absences	112,850	8,827	121,677	237,690
Claims and judgments	—	—	—	1,687,975
Bonds, notes, and loans payable	3,944,109	360,000	4,304,109	249,306
Total current liabilities	4,679,386	672,830	5,352,216	4,125,929
Noncurrent liabilities:				
Compensated absences	451,399	35,806	487,205	—
Claims and judgments	—	—	—	⑤ 5,602,900
Net pension liability	32,332,482	999,974	33,332,456	—
Net OPEB liability	19,399,781	599,993	19,999,774	—
Bonds, notes, and loans payable	54,452,049	19,544,019	73,996,068	—
Total noncurrent liabilities	106,635,711	21,179,792	127,815,503	5,602,900
Total liabilities	111,315,097	21,852,622	133,167,719	9,728,829
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	2,263,274	69,998	2,333,272	—
Retiree health insurance	1,357,985	42,000	1,399,984	—
Service concession arrangement proceeds	—	1,435,599	1,435,599	—
Total deferred inflows of resources	3,621,258	1,547,597	5,168,855	—
<b>NET POSITION</b>				
Net investment in capital assets	72,728,293	360,281	73,088,574	8,690,746
Restricted for debt service	—	1,451,996	1,451,996	⑦ —
Unrestricted	10,965,294	(1,406,577)	9,558,717	(5,696,055)
Total net position	\$ 83,693,587	\$ 405,700	\$ 84,099,287	\$ 2,994,691



# Prop Fund Statement of Net Position (continued)

5. Capital asset details would be disclosed in notes
6. Long-term liabilities note provides details
7. Internal service funds are included in govt activities on govt statement
8. Enterprise funds total usually agrees with the Business Type Activities total on the govt wide statements
9. If an enterprise fund is categorized as a govt activity, there would be a reconciliation here

	Business-Type Activities— Enterprise Funds			Governmental Activities— Internal Service Funds (Note 5)
	① Water and Sewer	Parking Facilities	Total	③
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 8,416,653	\$ 1,804,767	\$ 10,221,420	\$ 3,336,099
Investments	47,596,245	—	47,596,245	150,237
Receivables, net	3,564,586	3,535	3,568,121	157,804
Due from other governments	41,494	—	41,494	—
Inventories	126,674	—	126,674	139,328
Total current assets	59,745,652	1,808,302	61,553,954	3,783,468
Noncurrent assets:				
Restricted cash and cash equivalents ④	—	1,493,322	1,493,322	—
Capital assets:				
Land	813,513	3,021,637	3,835,150	—
Distribution and collection systems	39,504,183	—	39,504,183	—
Buildings and equipment	106,135,666	23,029,166	129,164,832	⑤ 14,721,786
Less accumulated depreciation	(15,328,911)	(5,786,503)	(21,115,414)	(5,781,734)
Total capital assets	131,124,451	20,264,300	151,388,751	8,940,052
Total noncurrent assets	131,124,451	21,757,622	152,882,073	8,940,052
Total assets	190,870,103	23,565,924	214,436,027	12,723,520
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	4,849,872	149,996	4,999,868	—
Retiree health insurance	2,909,967	89,999	2,999,966	—
Total deferred outflows of resources	7,759,839	239,995	7,999,835	—
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	447,427	304,003	751,430	780,570
Due to other funds	175,000	—	175,000	1,170,388
Compensated absences	112,850	8,827	121,677	237,690
Claims and judgments	—	—	—	1,687,975
Bonds, notes, and loans payable	3,944,109	360,000	4,304,109	249,306
Total current liabilities	4,679,386	672,830	5,352,216	4,125,929
Noncurrent liabilities:				
Compensated absences	451,399	35,806	487,205	—
Claims and judgments	—	—	—	⑤ 5,602,900
Net pension liability	32,332,482	999,974	33,332,456	—
Net OPEB liability	19,399,781	599,993	19,999,774	—
Bonds, notes, and loans payable	54,452,049	19,544,019	73,996,068	—
Total noncurrent liabilities	106,635,711	21,179,792	127,815,503	5,602,900
Total liabilities	111,315,097	21,852,622	133,167,719	9,728,829
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	2,263,274	69,998	2,333,272	—
Retiree health insurance	1,357,985	42,000	1,399,984	—
Service concession arrangement proceeds	—	1,435,599	1,435,599	—
Total deferred inflows of resources	3,621,258	1,547,597	5,168,855	—
<b>NET POSITION</b>				
Net investment in capital assets	72,728,293	360,281	73,088,574	8,690,746
Restricted for debt service	—	1,451,996	1,451,996	⑦ —
Unrestricted	10,965,294	(1,406,577)	9,558,717	(5,696,055)
Total net position	\$ 83,693,587	\$ 405,700	\$ 84,099,287	\$ 2,994,691
		⑧	⑨	





# Prop Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

	Business-Type Activities— Enterprise Funds			Governmental Activities— Internal Service Funds (Note 6) ③
	Water and Sewer	Parking Facilities	Total	
Operating revenues: ①				
Charges for services	\$ 11,329,883	\$ 1,340,261 ②	\$ 12,670,144	\$ 15,256,164
Miscellaneous	—	3,826	3,826	1,066,761
Total operating revenues	11,329,883	1,344,087	12,673,970	16,322,925
Operating expenses:				
Personal services	3,400,559	762,348	4,162,907	4,157,156
Contractual services	344,422	96,032	440,454	584,396
Utilities	754,107	100,726	854,833	214,812
Repairs and maintenance	747,315	64,617	811,932	1,960,490
Other supplies and expenses	498,213	17,119	515,332	234,445
Insurance claims and expenses	—	—	—	8,004,286
Depreciation	1,163,140	542,049	1,705,189	1,707,872
Total operating expenses	6,907,756	1,582,891	8,490,647	16,863,457
Operating income (loss) ④	4,422,127	(238,804)	4,183,323	(540,532)
Nonoperating revenues (expenses):				
Interest and investment revenue	454,793	146,556	601,349	134,733
Miscellaneous revenue	—	104,925	104,925	20,855
Interest expense	(1,600,830)	(1,166,546)	(2,767,376)	(41,616)
Miscellaneous expense	—	(46,846)	(46,846)	(176,003)
Total nonoperating revenue (expenses)	(1,146,037)	(961,911)	(2,107,948)	(62,031)
Income (loss) before contributions and transfers ⑤	3,276,090	(1,200,715)	2,075,375	(602,563)
Capital contributions ⑥	1,645,919	—	1,645,919	18,788
Transfers out	(290,000)	(211,409)	(501,409) ⑦	(175,033)
Change in net position	4,632,009	(1,412,124)	3,219,885	(758,808)
Total net position—beginning	79,061,578	1,817,824	80,879,402	3,753,499
Total net position—ending ⑧	\$ 83,693,587	\$ 405,700	\$ 84,099,287	\$ 2,994,691 ⑨

1. Operating revenues are generally fees and charges produced by the activity's provision of goods or services.
2. Nonmajor enterprise funds would be aggregated in a single column
3. Refers to note reconciling govt fund change in fund balance



# Prop Fund Statement of Revenues, Expenses, and Changes in Fund Net Position (continued)

	Business-Type Activities— Enterprise Funds			Governmental Activities— Internal Service Funds (Note 6) ③
	Water and Sewer	Parking Facilities	Total	
Operating revenues: ①				
Charges for services	\$ 11,329,883	\$ 1,340,261	\$ 12,670,144	\$ 15,256,164
Miscellaneous	—	3,826	3,826	1,066,761
Total operating revenues	11,329,883	1,344,087	12,673,970	16,322,925
Operating expenses:				
Personal services	3,400,559	762,348	4,162,907	4,157,156
Contractual services	344,422	96,032	440,454	584,396
Utilities	754,107	100,726	854,833	214,812
Repairs and maintenance	747,315	64,617	811,932	1,960,490
Other supplies and expenses	498,213	17,119	515,332	234,445
Insurance claims and expenses	—	—	—	8,004,286
Depreciation	1,163,140	542,049	1,705,189	1,707,872
Total operating expenses	6,907,756	1,582,891	8,490,647	16,863,457
Operating income (loss) ④	4,422,127	(238,804)	4,183,323	(540,532)
Nonoperating revenues (expenses):				
Interest and investment revenue	454,793	146,556	601,349	134,733
Miscellaneous revenue	—	104,925	104,925	20,855
Interest expense	(1,600,830)	(1,166,546)	(2,767,376)	(41,616)
Miscellaneous expense	—	(46,846)	(46,846)	(176,003)
Total nonoperating revenue (expenses)	(1,146,037)	(961,911)	(2,107,948)	(62,031)
Income (loss) before contributions and transfers ⑤	3,276,090	(1,200,715)	2,075,375	(602,563)
Capital contributions ⑥	1,645,919	—	1,645,919	18,788
Transfers out	(290,000)	(211,409)	(501,409)	(175,033)
Change in net position	4,632,009	(1,412,124)	3,219,885	(758,808)
Total net position—beginning	79,061,578	1,817,824	80,879,402	3,753,499
Total net position—ending ⑧	\$ 83,693,587	\$ 405,700	\$ 84,099,287	\$ 2,994,691

4. Operating revenue less operating expense. Parking has an operating deficit
5. This line can help you gauge the financial sustainability of the activities. Losses indicate that the activity is not supporting itself.
6. Capital assets received. They increase net position but are not flows associated with the BTA's operations.



# Prop Funds Statement of Cash Flows

	Business-Type Activities— Enterprise Funds			Governmental Activities— Internal Service Funds
	Water and Sewer	Parking Facilities	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b> ①				
Receipts from customers	\$ 11,400,200	\$ 1,345,292	\$ 12,745,492	\$ 15,326,343
Payments to suppliers	(2,725,349)	(365,137)	(3,090,486)	(2,812,238)
Payments to employees	(3,360,055)	(750,828)	(4,110,883)	(4,209,688)
Internal activity—payments to other funds	(1,296,768)	—	(1,296,768)	—
Claims paid	—	—	—	(8,482,451)
Other receipts (payments)	(2,325,483)	—	(2,325,483)	1,061,118
Net cash provided by operating activities	1,692,545	229,327	1,921,872	883,084
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b> ②				
Operating subsidies and transfers to other funds	(290,000)	(211,409)	(501,409)	(175,033)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> ③				
Proceeds from capital debt	4,041,322	8,660,778	12,702,100	—
Capital contributions	1,645,919	—	1,645,919	—
Purchases of capital assets	(4,194,035)	(144,716)	(4,338,751)	(400,086)
Principal paid on capital debt	(2,178,491)	(8,895,000)	(11,073,491)	(954,137)
Interest paid on capital debt	(1,479,708)	(1,166,546)	(2,646,254)	41,616
Other receipts (payments)	—	19,174	19,174	48,184
Net cash (used) by capital and related financing activities	(2,164,993)	(1,526,310)	(3,691,303)	(1,264,423)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b> ④				
Proceeds from sales and maturities of investments	—	—	—	15,684
Interest and dividends	454,793	143,747	598,540	129,550
Net cash provided by investing activities	454,793	143,747	598,540	145,234
Net (decrease) in cash and cash equivalents	(307,655)	(1,364,645)	(1,672,300)	(411,138)
Balances—beginning of the year	8,724,308	4,662,734	13,387,042	3,747,237
Balances—end of the year ⑤	\$ 8,416,653	\$ 3,298,089	\$ 11,714,742	\$ 3,336,099
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> ⑥				
Operating income (loss)	\$ 4,422,127	\$ (238,804)	\$ 4,183,323	\$ (540,532)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Cash flows reported in other categories:				
Depreciation expense	1,163,140	542,049	1,705,189	1,707,872
Change in assets and liabilities:				
Receivables, net ⑧	653,264	1,205	654,469	31,941
Inventories	2,829	—	2,829	39,790
Accounts and other payables	(297,446)	(86,643)	(384,089)	475,212
Accrued expenses	(4,251,369)	11,520	(4,239,849)	(831,199)
Net cash provided by operating activities ⑨	\$ 1,692,545	\$ 229,327	\$ 1,921,872	\$ 883,084

1. Operating cash flows relate to the provision of services and production of sales
2. Noncapital financing activities relate to borrowing or lending money, and transfers for purposes other than buying or building capital assets.
3. Capital financing activities relate to borrowings and repaying debt for purchases and construction of capital assets, as well as sales of capital assets



# Prop Funds Statement of Cash Flows (continued)

	Business-Type Activities— Enterprise Funds			Governmental Activities— Internal Service Funds
	Water and Sewer	Parking Facilities	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b> ①				
Receipts from customers	\$ 11,400,200	\$ 1,345,292	\$ 12,745,492	\$ 15,326,343
Payments to suppliers	(2,725,349)	(365,137)	(3,090,486)	(2,812,238)
Payments to employees	(3,360,055)	(750,828)	(4,110,883)	(4,209,688)
Internal activity—payments to other funds	(1,296,768)	—	(1,296,768)	—
Claims paid	—	—	—	(8,482,451)
Other receipts (payments)	(2,325,483)	—	(2,325,483)	1,061,118
Net cash provided by operating activities	1,692,545	229,327	1,921,872	883,084
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b> ②				
Operating subsidies and transfers to other funds	(290,000)	(211,409)	(501,409)	(175,033)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> ③				
Proceeds from capital debt	4,041,322	8,660,778	12,702,100	—
Capital contributions	1,645,919	—	1,645,919	—
Purchases of capital assets	(4,194,035)	(144,716)	(4,338,751)	(400,086)
Principal paid on capital debt	(2,178,491)	(8,895,000)	(11,073,491)	(954,137)
Interest paid on capital debt	(1,479,708)	(1,166,546)	(2,646,254)	41,616
Other receipts (payments)	—	19,174	19,174	48,184
Net cash (used) by capital and related financing activities	(2,164,993)	(1,526,310)	(3,691,303)	(1,264,423)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b> ④				
Proceeds from sales and maturities of investments	—	—	—	15,684
Interest and dividends	454,793	143,747	598,540	129,550
Net cash provided by investing activities	454,793	143,747	598,540	145,234
Net (decrease) in cash and cash equivalents	(307,655)	(1,364,645)	(1,672,300)	(411,138)
Balances—beginning of the year	8,724,308	4,662,734	13,387,042	3,747,237
Balances—end of the year ⑤	\$ 8,416,653	\$ 3,298,089	\$ 11,714,742	\$ 3,336,099
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> ⑥				
Operating income (loss)	\$ 4,422,127	\$ (238,804)	\$ 4,183,323	\$ (540,532)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Cash flows reported in other categories:				
Depreciation expense	1,163,140	542,049	1,705,189	1,707,872
Change in assets and liabilities:				
Receivables, net ⑧	653,264	1,205	654,469	31,941
Inventories	2,829	—	2,829	39,790
Accounts and other payables	(297,446)	(86,643)	(384,089)	475,212
Accrued expenses	(4,251,369)	11,520	(4,239,849)	(831,199)
Net cash provided by operating activities ⑨	\$ 1,692,545	\$ 229,327	\$ 1,921,872	\$ 883,084

4. Investing cash flows relate to investment earnings and the sale and purchase of investments
5. These amounts tie to cash in statement of net position
6. This reconciliation explains the differences between cash flow described here and operating income (loss)



# **Government Wide Financial Statements**





Local City  
Statement of Net Position  
As of December 31, 2016

	Primary Government			⑨
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents ①	\$ 13,597,899	\$ 10,221,420	\$ 23,819,319	\$ 303,935
Investments	27,365,221	47,596,245	74,961,466	7,428,952
Receivables, net	11,118,035	3,568,121	14,686,156	4,042,290
Duc from other governments	1,715,097	41,494	1,756,591	—
Internal balances	175,000	(175,000)	—	—
Inventories	322,149	126,674	448,823	83,697
Restricted cash and cash equivalents	—	1,493,322	1,493,322	—
Capital assets (Note 2): ②				
Land and construction in progress	28,469,120	3,836,119	32,305,239	—
Infrastructure, net	90,651,241	30,952,214	121,603,455	751,239
Buildings, property, and equipment, net ③ ⑤	50,902,399	116,600,418	167,502,817	36,993,547
Total capital assets	170,022,760	151,388,751	321,411,511	37,744,786
Total assets	224,316,161	214,261,027	438,577,188	49,603,660
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	8,365,521	4,999,868	13,365,389	1,488,110
Retiree health insurance ④	6,686,417	2,999,966	9,686,383	892,866
Accumulated decrease in fair value of hedging derivatives	1,754,896	—	1,754,896	2,987,635
Total deferred outflows of resources	16,806,834	7,999,835	24,806,668	5,368,611
<b>LIABILITIES</b>				
Accounts payable	7,102,607	751,430	7,854,037	4,790,967
Advances on grants ⑥	1,435,599	—	1,435,599	—
Portion of long-term obligations due within one year (Note 3)	9,236,000	4,426,286	13,662,286	1,426,639
Portion of long-term obligations due after one year (Note 3)	183,598,630	127,815,003	311,413,633	42,979,322
Total liabilities	201,372,836	132,992,719	334,365,555	49,196,928
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	3,903,910	2,333,272	6,237,182	694,451
Retiree health insurance ④	3,120,328	1,399,984	4,520,312	416,671
Service concession arrangement proceeds	—	1,435,599	1,435,599	—
Total deferred inflows of resources	7,024,238	5,168,855	12,193,093	1,111,122
<b>NET POSITION</b>				
Net investment in capital assets	103,711,386	73,088,574	176,799,960	15,906,392
Restricted for:				
Capital projects	11,705,864	—	11,705,864	492,445
Debt service	3,020,708	1,451,996	4,472,704	—
Community development projects	4,811,043	—	4,811,043	—
Other purposes	3,214,302	—	3,214,302	—
Unrestricted (deficit) ⑦	(93,737,382)	9,558,717	(84,178,665)	(11,734,616)
Total net position ⑧	\$ 32,725,921	\$ 84,099,287	\$116,825,208	\$ 4,664,221

# GW Statement of Net Position

1. In order of relative liquidity (also allowed to use classified format)
2. Capital Asset footnote includes roll forward by major class
3. Most capital assets are shown at original cost less accumulated depreciation
4. Certain parts of increases or decreases are reported as deferrals before being reported as expense



Local City  
Statement of Net Position  
As of December 31, 2016

	Primary Government			⑨
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents ①	\$ 13,597,899	\$ 10,221,420	\$ 23,819,319	\$ 303,935
Investments	27,365,221	47,596,245	74,961,466	7,428,952
Receivables, net	11,118,035	3,568,121	14,686,156	4,042,290
Due from other governments	1,715,097	41,494	1,756,591	—
Internal balances	175,000	(175,000)	—	—
Inventories	322,149	126,674	448,823	83,697
Restricted cash and cash equivalents	—	1,493,322	1,493,322	—
Capital assets (Note 2): ②				
Land and construction in progress	28,469,120	3,836,119	32,305,239	—
Infrastructure, net	90,651,241	30,952,214	121,603,455	751,239
Buildings, property, and equipment, net ③ ⑤	50,902,399	116,600,418	167,502,817	36,993,547
Total capital assets	170,022,760	151,388,751	321,411,511	37,744,786
Total assets	224,316,161	214,261,027	438,577,188	49,603,660
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pensions	8,365,521	4,999,868	13,365,389	1,488,110
Retiree health insurance ④	6,686,417	2,999,966	9,686,383	892,866
Accumulated decrease in fair value of hedging derivatives	1,754,896	—	1,754,896	2,987,635
Total deferred outflows of resources	16,806,834	7,999,835	24,806,668	5,368,611
<b>LIABILITIES</b>				
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Total liabilities	201,372,836	132,992,719	334,365,555	49,196,928
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	3,903,910	2,333,272	6,237,182	694,451
Retiree health insurance ④	3,120,328	1,399,984	4,520,312	416,871
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Total deferred inflows of resources	7,024,238	5,168,855	12,193,093	1,111,122
<b>NET POSITION</b>				
Net investment in capital assets	103,711,386	73,088,574	176,799,960	15,906,392
Restricted for:				
Capital projects	11,705,864	—	11,705,864	492,445
Debt service	3,020,708	1,451,996	4,472,704	—
Community development projects	4,811,043	—	4,811,043	—
Other purposes	3,214,302	—	3,214,302	—
Unrestricted (deficit) ⑦	(93,737,382)	9,558,717	(84,178,665)	(11,734,616)
Total net position ⑧	\$ 32,725,921	\$ 84,099,287	\$ 116,825,208	\$ 4,664,221

# GW Statement of Net Position (continued)

- Long-term obligations note discloses details about major types of long-term liabilities
- Governmental Activities of this city has no unrestricted net position because it owes more than it owns
- Total net position is calculated as assets + deferred outflows – liabilities – deferred inflows = total net position
- Discretely presented component unit presented separately



# GW Statement of Activities

Functions/Programs	① Expenses	② Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units
					Governmental Activities	Business-Type Activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 9,571,410	\$ 3,146,915	\$ 843,617	\$ —	\$ (5,580,878)	\$ —	\$ (5,580,878)	\$ —
Public safety	34,844,749	1,198,855	1,307,693	62,300	(32,275,901)	—	(32,275,901)	—
Public works	10,128,538	850,000	—	2,252,615	(7,025,923)	—	(7,025,923)	—
Engineering services	1,299,645	704,793	—	—	(594,852)	—	(594,852)	—
Health and sanitation	6,738,672	5,612,267	575,000	—	(551,405)	—	(551,405)	—
Cemetery	735,866	212,496	—	—	(523,370)	—	(523,370)	—
Culture and recreation	11,532,350	3,995,199	2,450,000	—	(5,087,151)	—	(5,087,151)	—
Community development	2,994,389	—	—	2,580,000	(414,389)	—	(414,389)	—
Education (payment to school district)	21,893,273	—	—	—	(21,893,273)	—	(21,893,273)	—
Interest on long-term debt	6,068,121	—	—	—	(6,068,121)	—	(6,068,121)	—
Total governmental activities	105,807,013	15,720,525	5,176,310	4,894,915	(80,015,263)	—	(80,015,263)	—
Business-type activities:								
Water	3,595,733	4,159,350	—	1,159,909	—	1,723,526	1,723,526	—
Sewer	4,912,853	7,170,533	—	486,010	—	2,743,690	2,743,690	—
Parking facilities	2,796,283	1,344,087	—	—	—	(1,452,196)	(1,452,196)	—
Total business-type activities	11,304,869	12,673,970	—	1,645,919	—	3,015,020	3,015,020	—
Total primary government	\$ 117,111,882	\$ 28,394,495	\$ 5,176,310	\$ 6,540,834	(80,015,263)	3,015,020	(77,000,243)	—
<b>Component units:</b>								
Landfill	\$ 3,382,157	\$ 3,857,858	\$ —	\$ 11,397	—	—	—	487,098
Public school system	31,186,498	705,765	3,937,083	—	—	—	—	(26,543,650)
Total component units	\$ 34,568,655	\$ 4,563,623	\$ 3,937,083	\$ 11,397	—	—	—	(26,056,552)
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					51,693,573	—	51,693,573	—
Property taxes, levied for debt service					4,726,244	—	4,726,244	—
Franchise taxes					4,055,505	—	4,055,505	—
Public service taxes					8,969,887	—	8,969,887	—
Payment from Sample City					—	—	—	21,893,273
Grants and contributions not restricted to specific programs					1,457,820	—	1,457,820	6,461,708
Investment earnings					1,958,144	601,349	2,559,493	881,763
Miscellaneous					884,907	104,925	989,832	22,464
Subtotal, excess (deficiency) of revenues over expenses					(6,269,183)	3,721,294	(2,547,889)	3,202,656
④ Special item—gain on sale of park land					2,653,488	—	2,653,488	—
Transfers					501,409	(501,409)	—	—
Total general revenues, special items, and transfers					76,900,977	204,865	77,105,842	29,259,208
Change in net position					(3,114,286)	3,219,885	105,599	3,202,656
Net position—beginning					35,840,207	80,879,402	116,719,609	1,461,565
Net position—ending					⑧ \$ 32,725,921	\$ 84,099,287	\$ 116,825,208	\$ 4,664,221

1. At a minimum, expenses reported at the same level as govt funds, however they are encouraged to present additional detail, by function
2. Program revenues are provided by external party for use in a particular function





# GW Statement of Activities (continued)

Functions/Programs	① Expenses	② Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 9,571,410	\$ 3,146,915	\$ 843,617	\$ —	\$ (5,580,878)	\$ —	\$ (5,580,878)	\$ —
Public safety	34,844,749	1,198,855	1,307,693	62,300	(32,275,901)	—	(32,275,901)	—
Public works	10,128,538	850,000	—	2,252,615	(7,025,923)	—	(7,025,923)	—
Engineering services	1,299,645	704,793	—	—	(594,852)	—	(594,852)	—
Health and sanitation	6,738,672	5,612,267	575,000	—	(551,405)	—	(551,405)	—
Cemetery	735,866	212,496	—	—	(523,370)	—	(523,370)	—
Culture and recreation	11,532,350	3,995,199	2,450,000	—	(5,087,151)	—	(5,087,151)	—
Community development	2,994,389	—	—	2,580,000	(414,389)	—	(414,389)	—
Education (payment to school district)	21,893,273	—	—	—	(21,893,273)	—	(21,893,273)	—
Interest on long-term debt	6,068,121	—	—	—	(6,068,121)	—	(6,068,121)	—
Total governmental activities	105,807,013	15,720,525	5,176,310	4,894,915	(80,015,263)	—	(80,015,263)	—
Business-type activities:								
Water	3,595,733	4,159,350	—	1,159,909	—	1,723,526	1,723,526	—
Sewer	4,912,853	7,170,533	—	486,010	—	2,743,690	2,743,690	—
Parking facilities	2,796,283	1,344,087	—	—	—	(1,452,196)	(1,452,196)	—
Total business-type activities	11,304,869	12,673,970	—	1,645,919	—	3,015,020	3,015,020	—
Total primary government	\$ 117,111,882	\$ 28,394,495	\$ 5,176,310	\$ 6,540,834	(80,015,263)	3,015,020	(77,000,243)	—
<b>Component units:</b>								
Landfill	\$ 3,382,157	\$ 3,857,858	\$ —	\$ 11,397	—	—	—	487,098
Public school system	31,186,498	705,765	3,937,083	—	—	—	—	(26,543,650)
Total component units	\$ 34,568,655	\$ 4,563,623	\$ 3,937,083	\$ 11,397	—	—	—	(26,056,552)
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purposes					51,693,573	—	51,693,573	—
Property taxes, levied for debt service					4,726,244	—	4,726,244	—
Franchise taxes					4,055,505	—	4,055,505	—
Public service taxes					8,969,887	—	8,969,887	—
Payment from Sample City					—	—	—	21,893,273
Grants and contributions not restricted to specific programs					1,457,820	—	1,457,820	6,461,708
Investment earnings					1,958,144	601,349	2,559,493	881,763
Miscellaneous					884,907	104,925	989,832	22,464
Subtotal, excess (deficiency) of revenues over expenses					(6,269,183)	3,721,294	(2,547,889)	3,202,656
④ Special item—gain on sale of park land					2,653,488	—	2,653,488	—
Transfers					501,409	(501,409)	—	—
Total general revenues, special items, and transfers					76,900,977	204,865	77,105,842	29,259,208
Change in net position					⑥ (3,114,286)	⑦ 3,219,885	105,599	3,202,656
Net position—beginning					35,840,207	80,879,402	116,719,609	1,461,585
Net position—ending					⑧ \$ 32,725,921	\$ 84,099,287	\$ 116,825,208	\$ 4,664,221

3. A (negative) amount represents a net expense to the government that must be covered by taxes or other general revenue
4. Special items and transfers are shown separately so you can see if annual revenues are sufficient to meet expenses



# **Reconciling Fund Financial Statements to the Government Wide Financial Statements**



Total Fund Balances - Governmental Funds \$ 2,521,779,568

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Non-Depreciable Assets  
Depreciable Assets

\$	624,127,732	
	<u>4,130,053,549</u>	4,754,181,281

Internal Service funds are used by management to charge the costs of its self-insurance programs and the print shop. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, less furniture and equipment, net of accumulated depreciation.

Total Assets - Internal Service Funds  
Less: Total Liabilities - Internal Service Funds  
Less: Depreciable Assets Reported Above

\$	213,666,722	
	(92,814,457)	
	<u>(38,456)</u>	120,813,809

Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due, except for accrued interest received as part of a debt issue.

Accrued Interest Payable - Government-Wide Statement of Net Position

(13,547,897)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions  
Deferred inflows of resources related to pensions

\$	357,287,083	
	<u>(652,881,931)</u>	(295,594,848)

Deferred outflows of resources related to the deferred amount on refunding are applicable to future periods and, therefore, are not reported in the funds.

55,522,548

Earned revenues not received within the availability period are reported as unavailable revenues in the governmental funds, but are recorded as revenue in the government-wide statements.

3,069,924

Deferred outflows of resources related to accumulated fair value of hedging derivatives are applicable to future periods and, therefore, are not reported in the funds.

226,136

Deferred outflows and inflows of resources related to other post employment are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to OPEB  
Deferred inflows of resources related to OPEB

\$	16,623,314	
	<u>(15,433,314)</u>	1,190,000

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Certificates of Participation Payable  
Compensated Absences Payable  
Hedging Derivative Instruments  
Other Postemployment Benefits  
Net Pension Liability

\$	(1,034,451,545.00)	
	(125,284,035)	
	(226,136)	
	(48,695,858)	
	<u>(559,308,621)</u>	(1,767,966,195)

Total Net Position - Governmental Activities

\$ 5,379,674,326

The accompanying notes are an integral part of the basic financial statements.

## GW SoNP to Govt'l Funds BS Reconciliation

- ▶ Reconciles from Gov Balance Sheet Fund Balance to Net Position on the GW Statement of Net Position
- ▶ Reconciles from modified accrual used in fund FS to full accrual for GW
- ▶ Typical reconciling items include Capital Assets, Long Term Liabilities, and Deferrals

Net Change in Fund Balance - Governmental Funds	\$	342,316,808	
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of net loss on sale and depreciation expense in the current period.			
Capital Outlay net of amount not capitalized	\$	197,470,518	
Net Loss on Sale		(1,980,495)	
Depreciation Expense		(168,093,479)	
			25,396,544
Proceeds of refunding debt are reported as other financing sources in the governmental funds, while payments to the escrow agent for advance-refunding of outstanding debt are shown as other financing uses. Government-wide statements are affected only to the extent these amounts differ. Other long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the net effect of these transactions.			
Certificates of Participation	\$	(239,785,000)	
Principal Payments to Bond Escrow Agent		244,024,684	
			4,239,684
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the net effect of these transactions.			
			48,032,149
Deferred charges associated with long-term debt issued in a prior period are reported in the statement of activities, but are not a current financial resource and, therefore, are not reported in the governmental funds. This is the net decrease in deferred charges during the current period.			
			(6,927,367)
Premiums and discounts on debt issued are reported in the governmental funds in the year the debt is issued, but are deferred and amortized over the life of the debt in the statement of activities.			
			9,054,793
Interest on long-term debt is recognized in the governmental funds when due, but is recognized as interest accrues in the statement of activities.			
			1,926,804
In the governmental funds, revenues cannot be recognized until they are available to pay liabilities of the current period. In the statement of activities, revenue is recognized as soon as it is earned regardless of its availability. This is the effect of timing differences between the two methods of revenue recognition.			
			(386,483)
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.			
			7,277,267
In the statement of activities, the cost of other postemployment benefits is measured by the change in the net OPEB obligation during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the OPEB costs. This is the amount paid in excess of the change in OPEB obligation in the current period.			
			915,172
In the statement of activities, the cost of pension benefits is measured by the increase in the net pension liability during the year, while in the governmental funds, expenditures are recognized based on the amounts actually paid for the pension expense. This is the amount of the change in net pension liability in excess of the amount paid in the current period.			
			90,019,922
Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.			
			26,759,704
Change in Net Position - Governmental Activities	\$	548,624,997	

The accompanying notes are an integral part of the basic financial statements.

# GW SoA to Govt'l Funds SoRE Reconciliation

- ▶ Reconciles from Gov Statement of Revenue, Expenditure, and Changes in Fund Balance to Change in Net Position on the GW Statement of Activites
- ▶ Typical reconciling items include Capital Outlay, Debt Refunding/Proceeds, Compensated Absences, and Pension/OPEB



# **Note 1 Significant Accounting Policies and Other Note Disclosures**



# Summary of Significant Accounting Policies

## Reporting Entity

- Information about the entity the ACFR is for as well as information about component units reported on.

## Measurement Focus and Basis

- This section describes the use of accrual and modified accrual in the government wide and fund financial statements as well as the measurement focus of either current financial resources or economic resources

## Major Funds

- This section describes which funds have been identified as major funds for the reporting entity, and how non-major funds are combined and presented for reporting purposes

## Financial Statement Elements and Recent GASBs

- A listing of the elements included in the basic financial statements and description of the entity's policies and procedures for reporting each element. If any newly implemented or upcoming accounting standards, then these will be listed and described at the end of this note.



# Typical Financial Statement Elements Included in Note 1 and Subsequent Notes.

- ▶ Budget
- ▶ Cash, Equivalents, and Investments
- ▶ Inventories and Prepaid Expenditure/Expense
- ▶ Capital Assets
- ▶ Deferred Inflows and Deferred Outflows
- ▶ Unearned Revenues
- ▶ Debt and Long Term liabilities
- ▶ Revenues and Expenditure/Expense
- ▶ Fund Balances and their classification methodology



# **Supplementary Information and Schedule of Expenditure of Federal Awards**





# Combining Statement

- ▶ For each type of fund types reported in the ACFR, a combining statement for each basic financial statement showing how non-major funds sum to total non-major funds reported in the basic financial statement (Balance Sheet, Income Statement/Statement of Revenue Expenditure and Change in Fund Balance, and Cash Flows(proprietary funds only)
  - Governmental
  - Proprietary
  - Fiduciary
  - Discretely Presented Component Units



# Combining Statement Example

	Total Non-Major Governmental Funds	Special Revenue Funds			
		Total Non-Major Special Revenue Funds	Food Service Fund	Other Federal Programs Fund	Miscellaneous Special Revenue Fund
<b>ASSETS</b>					
Cash	\$ 48,451,612	\$ 29,556,867	\$ 13,637,347	\$ 148,425	\$ 15,771,195
Investments	169,702,501	77,878,451	65,261,467	-	12,616,984
Restricted Investments	50,189,000	-	-	-	-
Accounts Receivable	97,022	97,022	-	-	97,022
Interest Receivable	362,585	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Agencies	20,221,192	12,539,219	2,277,556	10,261,663	-
Inventories	2,570,720	2,570,720	2,461,192	-	109,528
<b>Total Assets</b>	<b>\$ 291,714,232</b>	<b>\$ 122,642,279</b>	<b>\$ 83,637,462</b>	<b>\$ 10,410,088</b>	<b>\$ 28,594,719</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Salaries and Wages Payable	\$ 220	\$ 220	\$ -	\$ -	\$ 220
Accounts Payable	3,611,908	3,581,500	523,070	2,650,100	406,330
Due to Other Funds	7,638,616	7,638,616	-	7,638,616	-
Due to Other Agencies	121,372	121,372	-	121,372	-
Unearned Revenue	1,122,889	1,116,444	1,116,444	-	-
<b>Total Liabilities</b>	<b>12,494,985</b>	<b>12,458,152</b>	<b>1,639,514</b>	<b>10,410,088</b>	<b>406,550</b>
<b>Fund Balances:</b>					
Nonspendable:	109,528	109,528	-	-	109,528
Spendable:					
Restricted	268,067,277	99,052,157	81,997,948	-	17,094,209
Assigned	11,042,442	11,042,442	-	-	11,042,442
<b>Total Fund Balances</b>	<b>279,219,347</b>	<b>110,184,127</b>	<b>81,997,948</b>	<b>-</b>	<b>28,186,179</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 291,714,232</b>	<b>\$ 122,642,279</b>	<b>\$ 83,637,462</b>	<b>\$ 10,410,088</b>	<b>\$ 28,594,719</b>

- Presents detailed financial statement information for every non-major fund within each type(i.e. governmental)
- Reconciles non major funds in detail to the non-major funds total.

Federal Grant Description	ALN	Expenditures	Subrecipient
US Department of Transportation Federal Aviation Administration: Airport Improvement Program (AIP)			
CRRSA	20.106	\$ 13,000	\$ -
Txwy A	20.106	89,878	-
ARPA	20.106	32,000	-
Apron	20.106	180,580	-
Apron	20.106	857,865	-
CARES	20.106	6,247,969	52,758
Txwy C	20.106	3,319,510	-
CRRSA	20.106	2,543,289	-
CRRSA Con	20.106	86,184	-
W Term	20.106	1,945,507	-
VALE	20.106	-	-
ARPA	20.106	-	-
Total AIP expenditures		15,315,782	52,758
US Department of Homeland Security Electronic Baggage Screening Program			
CBIS Design	97.100	133,331	-
CBIS Construction	97.100	590,900	-
Total TSA CBIS expenditures		724,231	-
Grand Total		\$ 16,040,014	\$ 52,758

## SEFA Example

- ▶ Reporting of Federal and State grants expended.
- ▶ Includes identifying information on each program (Assistance Listing Number), amount for the year, and amount passed to subrecipients

# Questions



# Questions?

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**About Cherry Bekaert LLP**

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