



CITY OF TOMBALL, TEXAS

Report on the Audit of the Financial Statements
For the Year Ended September 30, 2017





AGENDA

- Results of the 2017 audit
- Financial highlights
- Looking ahead
- Industry Topics/Considerations



RESULTS OF THE 2017 AUDIT

➤ Unmodified or “clean” opinion

FINANCIAL HIGHLIGHTS

- During FYE 2017, the City received its Government Finance Officers' Association Certificate of Achievement of Excellence in Financial Reporting for its 2016 CAFR. This was the 27th consecutive year the City has received this prestigious award.
- During FYE 2017, the City received its Government Finance Officers' Association Distinguished Budget Presentation Award for its 2017 budget. This was the ninth consecutive year the City has received this prestigious award.
- The City received the Leadership Award as part of the "Texas Transparency" program from the Texas Comptroller of Public Accounts.

CONDENSED STATEMENT OF NET POSITION*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assets			
Current assets	\$ 72,154,932	\$ 53,134,474	\$ 54,791,060
Capital assets, net	<u>85,675,130</u>	<u>84,952,635</u>	<u>79,827,038</u>
Total assets	<u>157,830,062</u>	<u>138,087,109</u>	<u>134,618,098</u>
Deferred Outflows of Resources	2,713,237	3,154,206	1,562,242
Liabilities			
Long-term liabilities	54,404,355	37,653,083	38,294,953
Other liabilities	<u>7,935,376</u>	<u>8,654,233</u>	<u>7,159,587</u>
Total liabilities	<u>62,339,731</u>	<u>46,307,316</u>	<u>45,454,540</u>
Deferred Inflows of Resources	121,001	46,834	60,966
Net Position			
Net investment in capital assets	73,817,981	67,279,549	64,700,587
Restricted	3,912,411	5,821,510	4,308,595
Unrestricted	<u>20,352,175</u>	<u>21,786,106</u>	<u>21,655,652</u>
Total net position	<u>\$ 98,082,567</u>	<u>\$ 94,887,165</u>	<u>\$ 90,664,834</u>

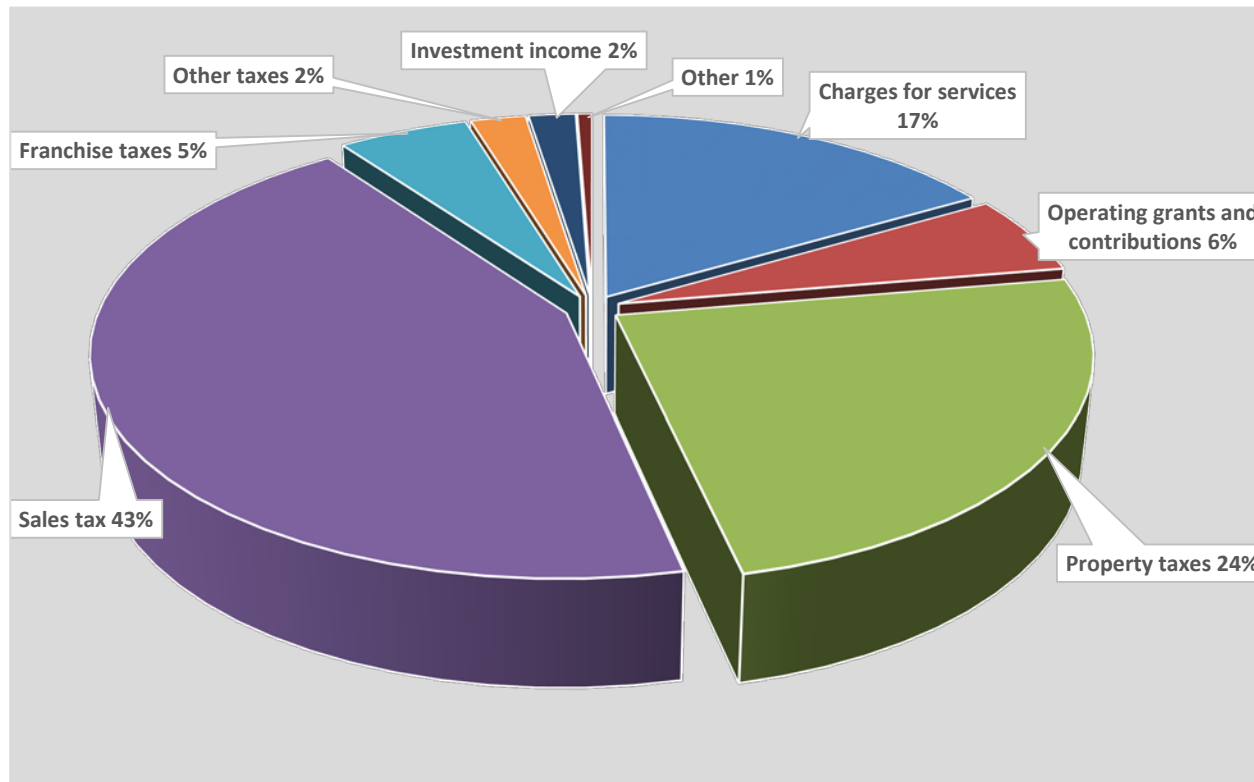
*AMOUNTS IN THOUSANDS AND SHOULD BE READ IN CONJUNCTION WITH DRAFT FINANCIAL STATEMENTS UNDER SEPARATE COVER.

CONDENSED STATEMENT OF ACTIVITIES*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues			
Program revenues:			
Charges for services	\$ 15,038,308	\$ 14,731,704	\$ 14,602,457
Operating grants and contributions	1,978,801	1,102,755	1,709,237
General revenues:			
Property taxes	6,007,290	5,674,692	5,241,928
Sales tax	10,791,147	10,578,683	10,839,818
Franchise and other taxes	1,862,010	1,960,009	1,821,441
Investment income	555,869	177,414	73,886
Other	156,625	609,498	541,193
Total revenues	<u>36,390,050</u>	<u>34,834,755</u>	<u>34,829,960</u>
Expenses			
General government	7,279,359	6,570,724	5,947,505
Public safety	9,650,665	9,028,841	8,493,353
Public works	6,952,664	6,436,355	6,181,783
Community development	386,153	421,381	313,713
Water	3,937,152	3,410,534	3,087,563
Sewer	2,228,636	2,483,923	2,418,443
Gas	1,507,955	1,429,950	1,963,162
Interest on long-term debt	1,252,064	830,716	891,258
Total expenses	<u>33,194,648</u>	<u>30,612,424</u>	<u>29,296,780</u>
Change in Net Position	3,195,402	4,222,331	5,533,180
Net Position, Beginning	<u>94,887,165</u>	<u>90,664,834</u>	<u>85,131,654</u>
Net Position, Ending	<u>\$ 98,082,567</u>	<u>\$ 94,887,165</u>	<u>\$ 90,664,834</u>

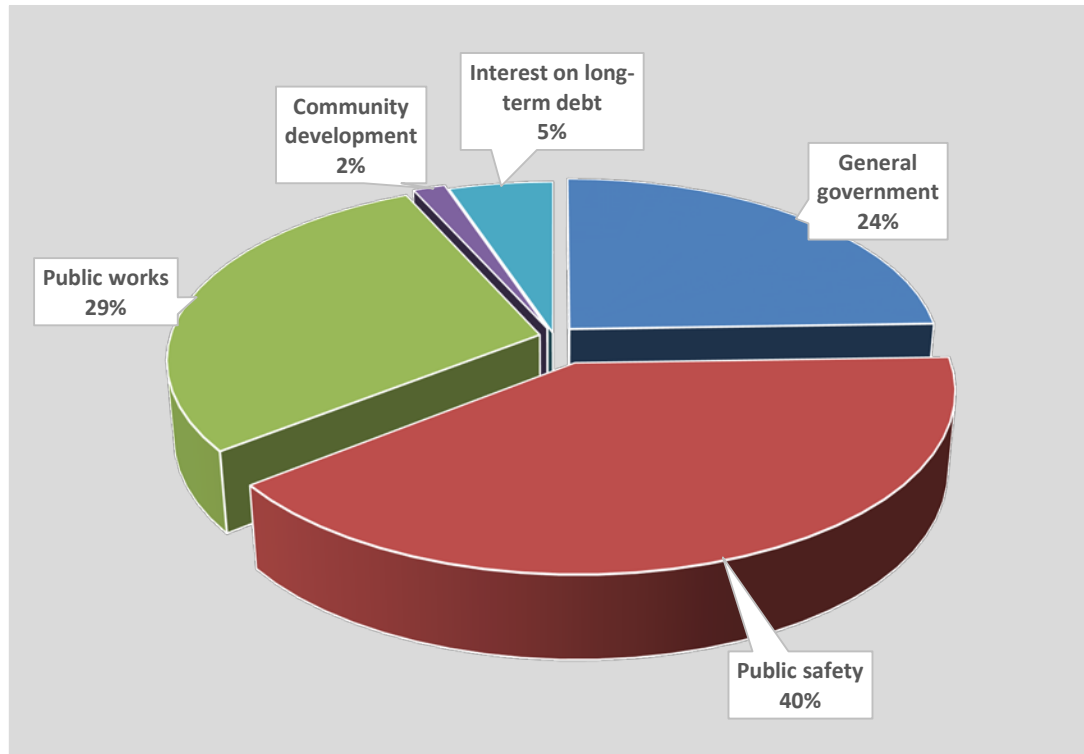
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GOVERNMENTAL REVENUES



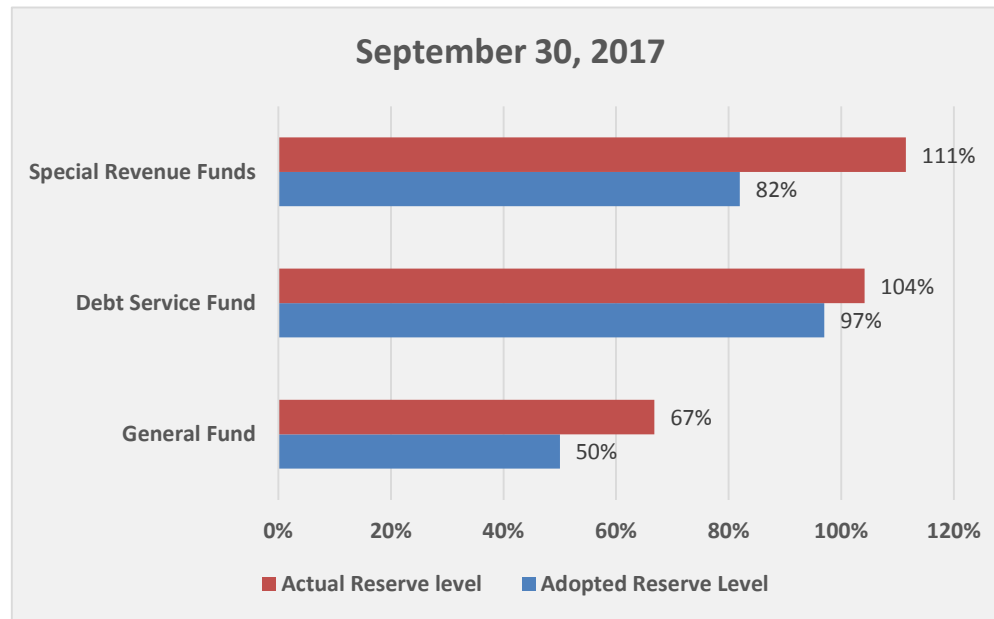


GOVERNMENTAL EXPENDITURES





FUND BALANCES – BUDGETED TO ACTUAL



Actual reserve level calculated as ending fund balance as a percentage of actual expenditures.

LOOKING AHEAD

➤ Future Accounting Standards

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*— Effective for the City’s FYE 2018
- GASB Statement No. 87, *Leases* – Effective for the City’s FYE 2021

➤ Uniform Guidance Compliance Requirements

- *Uniform Guidance Procurement Standards* – Effective for the City’s FYE 2019



INDUSTRY TOPICS / CONSIDERATIONS

- Capital Construction Internal Auditing
- Fraud Hotline Implementation
- Meeting the Increasing Challenges of Cybersecurity

THANK YOU!

FOR MORE INFORMATION // For a complete list of our offices
and subsidiaries, visit bkd.com or contact:

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