

Presentation to

Town of Fairview

Council Meeting | April 1, 2025



Overview

- ▶ Introduction
- ▶ Audit Process
- ▶ Audit Results and Communications
- ▶ Financial Highlights
- ▶ Questions



Engagement Leadership



John DeBurro, CPA | Partner, Assurance Services

- ▶ Audit engagement partner
- ▶ 25 years of experience
- ▶ Practice emphasis in auditing cities, school districts, and nonprofit agencies

Claire Wootton, CPA | Director, Assurance Services

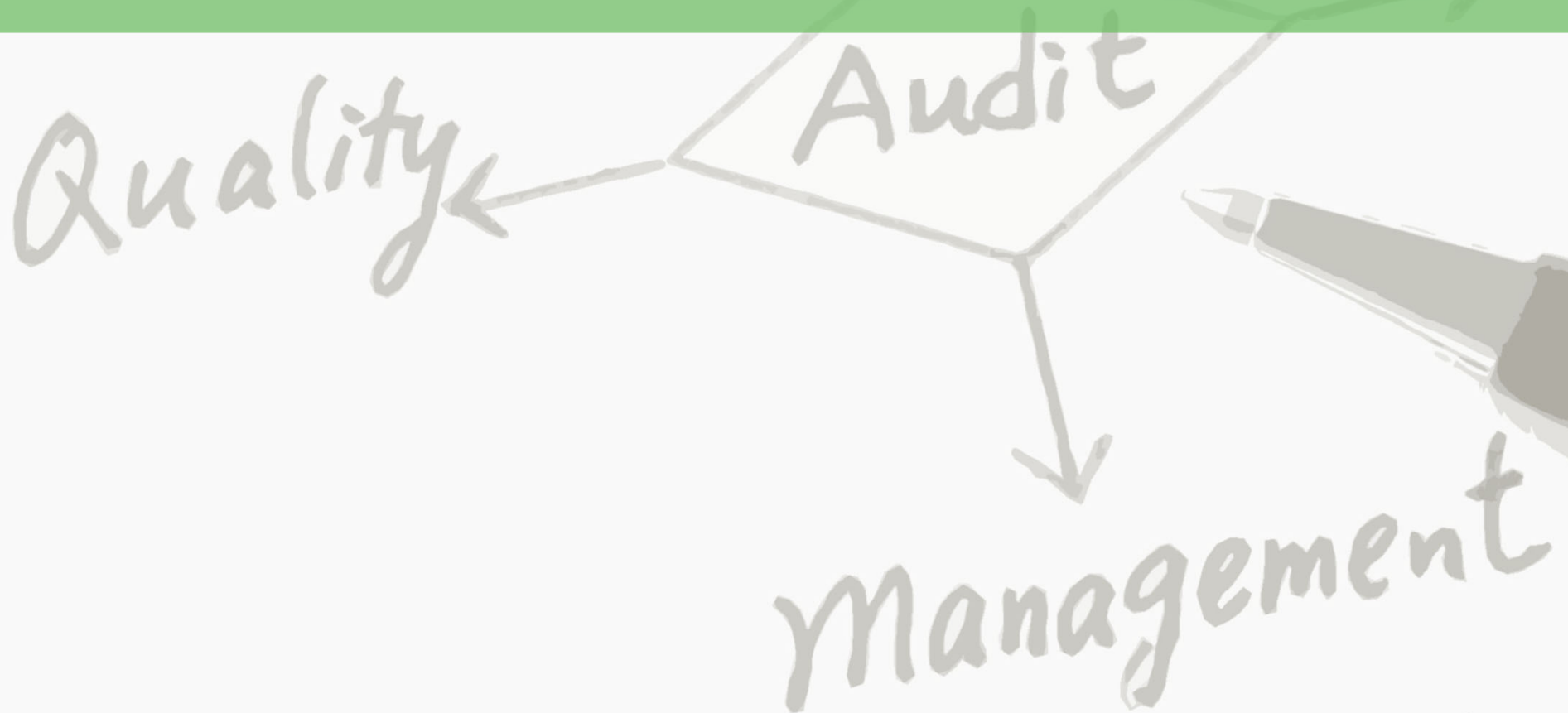
- ▶ Audit manager
- ▶ 14 years of experience
- ▶ Practice emphasis in auditing cities, school districts and nonprofit agencies

THERE WHEN YOU NEED US.

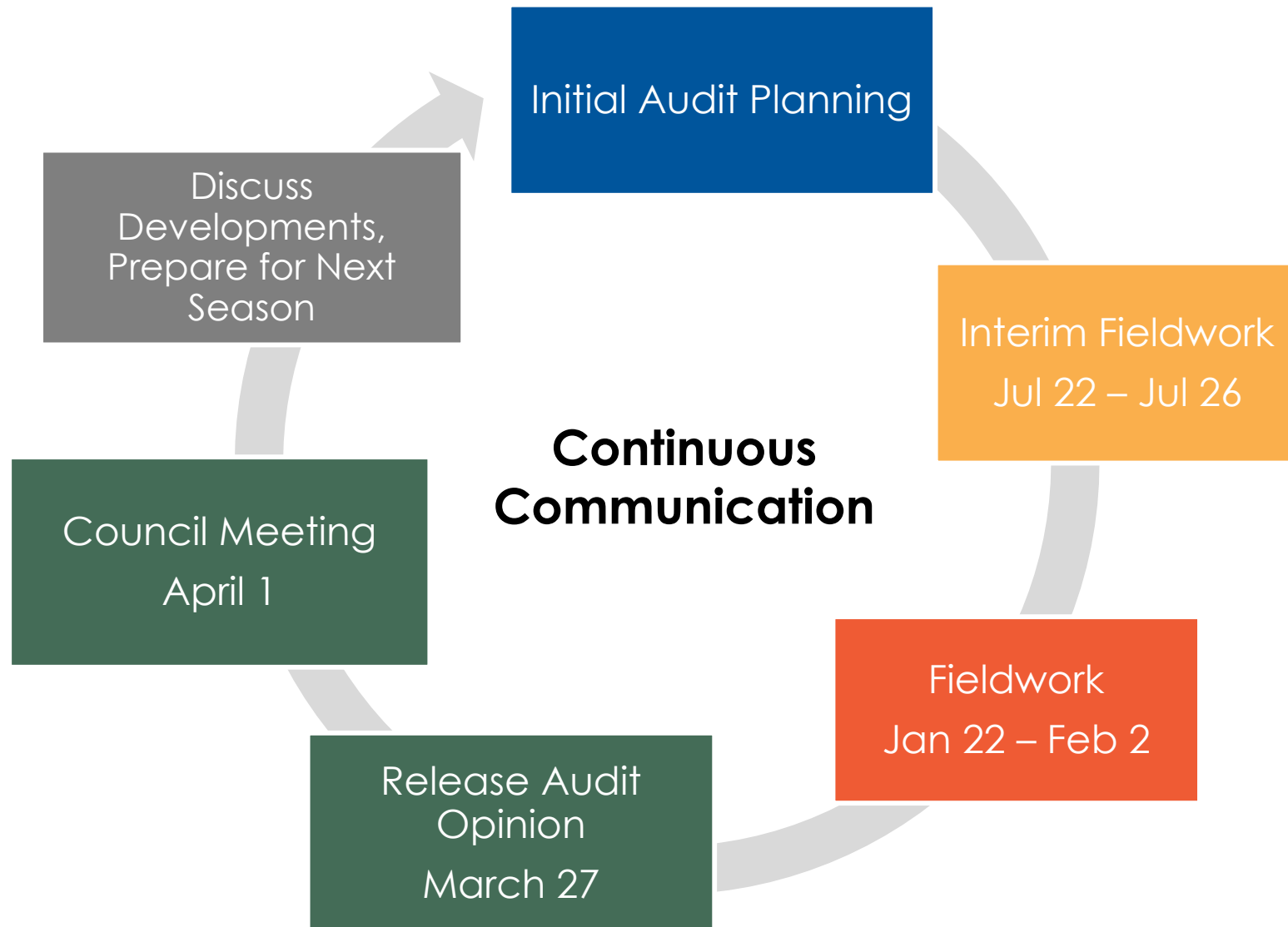
Remember: Weaver is your auditor all year; we are always available to answer routine questions.



Audit Process



The Audit Cycle



Audit Process



Audit Standards — Performed the audit in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS)



Single Audit — Performed the single audit of federal awards in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)



Compliance — Performed tests of the Town's compliance with certain provisions of laws, regulations, contracts and grant agreements, including items such as compliance with the Public Funds Investment Act.

Audit Process

▶ **Risk-based approach** focused on specific risks:

- » Cash
- » Long-term debt
- » Capital projects, purchasing, and compliance with bidding procedures
- » Payables, accrued liabilities, and expenditures
- » Enterprise fund receivables and revenues

▶ **Walkthroughs of accounting controls** over significant transaction cycles:

- » Cash disbursements – including credit cards
- » Payroll
- » Cash receipts – including grants, utilities
- » Financial close/reporting



Audit Process

- ▶ **Tested internal controls** over financial reporting
 - » Cash Disbursements
 - » Payroll
- ▶ **Substantive testing of account balances** using a combination of vouching of material transactions, sampling, and analytical procedures.
- ▶ **Preparation of the financial statements.** Management accepts responsibility for the financial statements, exercises appropriate oversight over the financial reporting process.





Audit Results & Communications
for the year ended September 30, 2024



WeaverViews

Audit Results:

FINANCIAL STATEMENTS

Type of Report Issued:	UNMODIFIED
Internal control over financial reporting:	
Any material weakness(es) identified?	NO
Any significant deficiencies that are not material weaknesses?	NONE REPORTED
Any noted noncompliance material to financial statements?	NO

Audit Results:

FEDERAL AWARDS



Type of Report Issued, Compliance for Major Programs:	UNMODIFIED
Type of Auditee:	HIGH RISK
Internal control over major programs:	
Any material weakness(es) identified?	NO
Any significant deficiencies that are not material weaknesses?	NONE REPORTED
Any audit findings required to be reported under 2 CFR 200.516(a)?	NO

➤ **Major Program: Economic Development Cluster (11.307)**

Required Communications



Communication	Description
<p>Auditor's responsibility under generally accepted auditing standards (GAAS)</p>	<p>The financial statements are the responsibility of the Town. Our audit was designed in accordance with GAAS in the U.S. and provides for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>The audit of the fiscal year 2024 financial statements has been completed and we have issued an unmodified opinion.</p>

Required Communications



Communication	Description
Auditor's responsibility under Government Auditing Standards	<p>In addition to the GAAS responsibilities, we are required to issue a written report on our consideration of internal controls and identify significant deficiencies, including material weaknesses, if any. Our report does not provide assurance on internal controls. We design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct or material effect on the financial statements. We issued a written report on the results of these procedures; however, our report does not express an opinion on compliance.</p> <p>No findings noted.</p>

Required Communications



Communication	Description
Auditor Responsibility under Uniform Guidance	<p>Our testing includes the major federal programs. We report on such testing, and disclose significant deficiencies in internal control over compliance, including material weaknesses we identify, if any. Our report does not provide assurance on internal control over compliance. We perform procedures for the purpose of expressing an opinion on whether major federal financial assistance programs have been administered in compliance with applicable laws and regulations.</p> <p>The audit of the fiscal year 2024 major federal financial assistance programs has been completed and we have issued an unmodified opinion.</p>

Required Communications



Communication

Unusual transactions and the adoption of new accounting principles

Results

The significant accounting policies used by the Town are described in Note 1 to the financial statements.

Standards required to be implemented in fiscal year 2024 included GASB 100 – which did not have a significant impact on the Town.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus.

Significant risks identified

Improper revenue recognition

- Grants
- Utility Billing

Note: Improper revenue recognition is a risk pervasive to all auditees who receive and record revenue.

Required Communications



Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management representations	We requested certain representations from management that were included in the management representation letter dated March 27, 2025.
Auditor independence	No independence issues noted.
Other information contained in documents containing audited financial statements	We performed limited procedures on the Management's Discussion and Analysis (MD&A) and Required Supplementary Information (RSI). We did not provide any assurance on this information.
Management judgments and accounting estimates	Management's estimates of uncollectible receivables and useful lives of capital assets were evaluated and determined to be reasonable in relation to the financial statements as a whole.

Required Communications



Communication	Results
Audit adjustments and Passed adjustments	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p> <p>All audit adjustments were identified and communicated to management, and were corrected in FY24.</p> <p>In addition, there were no uncorrected misstatements identified as a result of our audit procedures.</p>
Other material written communications between Weaver and Tidwell, L.L.P., and the Town	Nothing to note

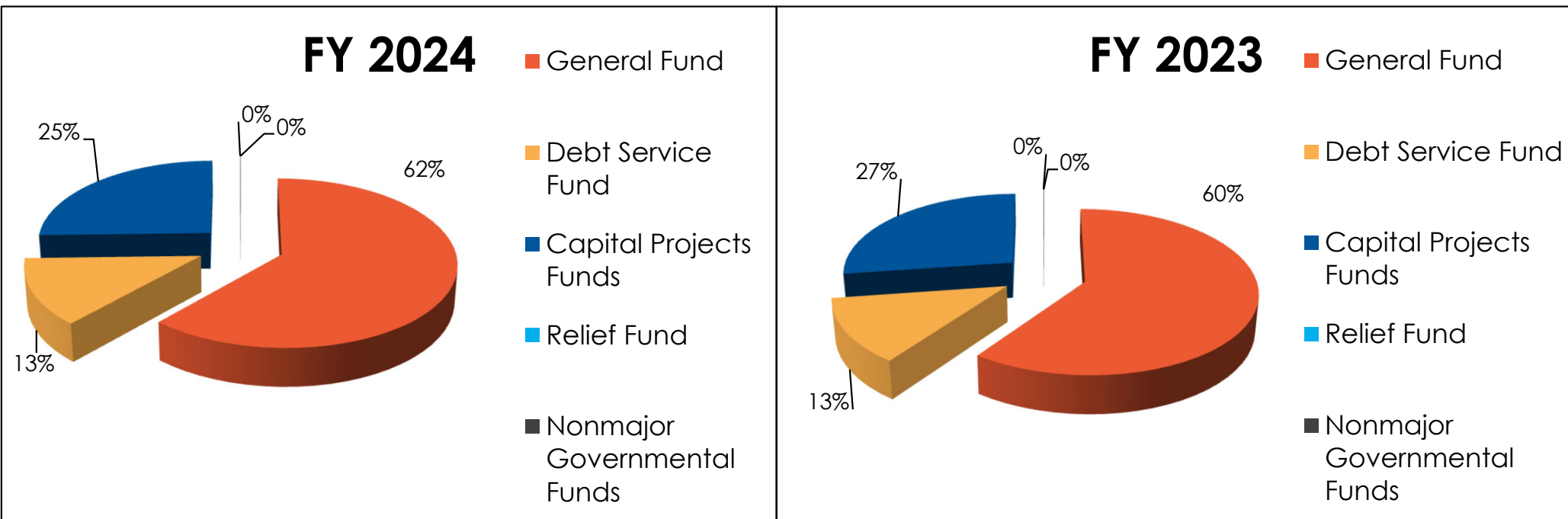
A low-angle, black and white photograph of several classical stone columns. The columns are fluted and have a textured surface. They are set against a bright, overcast sky. The perspective is from below, looking up at the columns, which creates a sense of height and grandeur. A solid green horizontal band is overlaid across the middle of the image, containing the text 'Financial Highlights' in white.

Financial Highlights

Weaver**Views**

Financial Highlights

Comparison of Governmental Funds Expenditures by Fund (in millions of dollars)

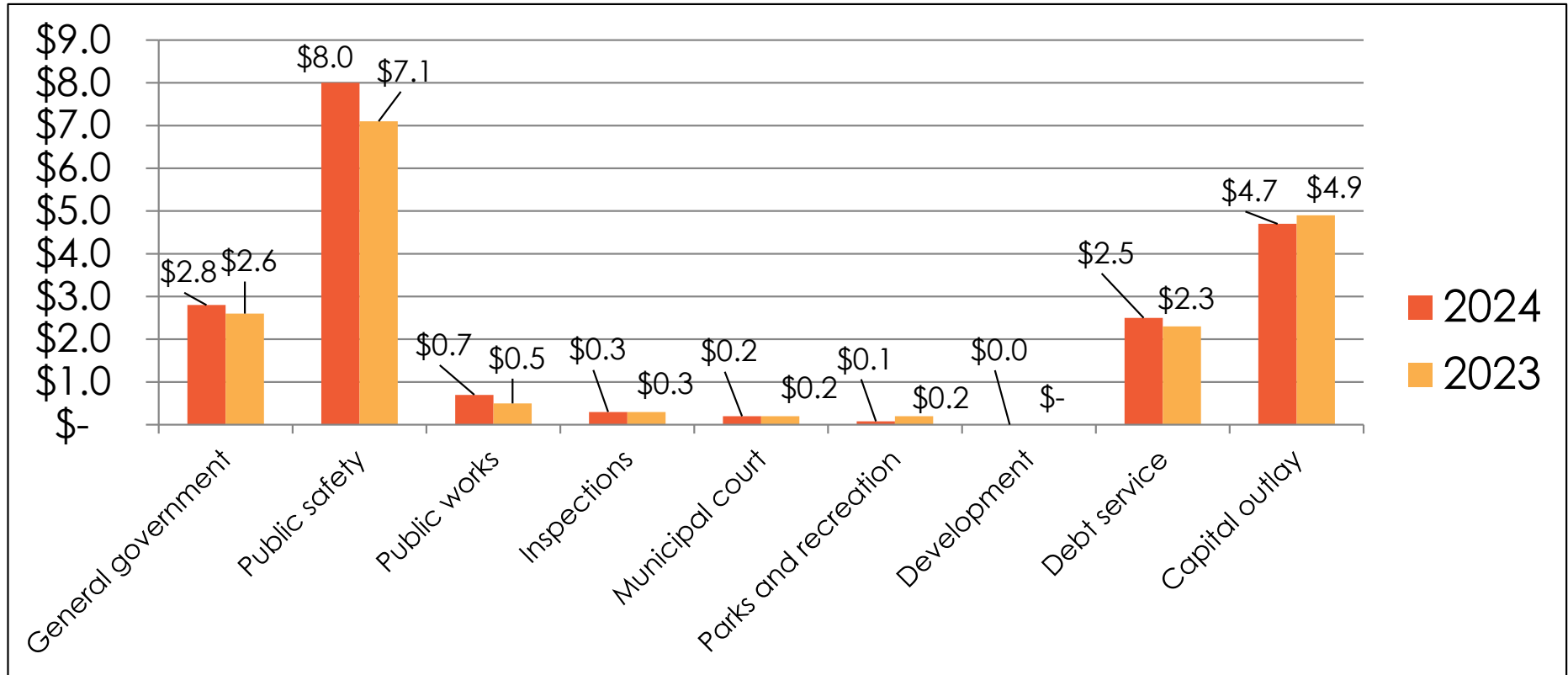


Governmental Funds Expenditures for FY 2024 totaled \$19.3 million, a \$1.3 million or 7% increase

- General Government increased \$197 thousand due to the updated pay plan, increase in consulting and legal fees, as well as purchased services.
- Public Safety increased \$973 thousand due to increase in personnel expenses due to retirement payouts and increased overtime as well as increased operational expenses.
- Debt Service increased \$184 thousand due to issuance costs from the Series 2023 Tax Notes.

Financial Highlights

Comparison of Governmental Funds Expenditures



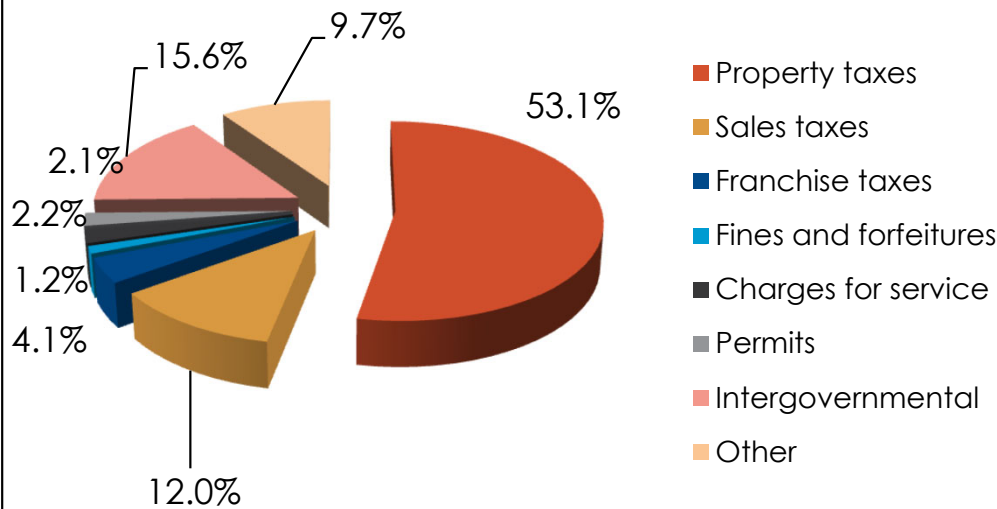
(2-year comparison – current year and prior year – in millions)

Financial Highlights

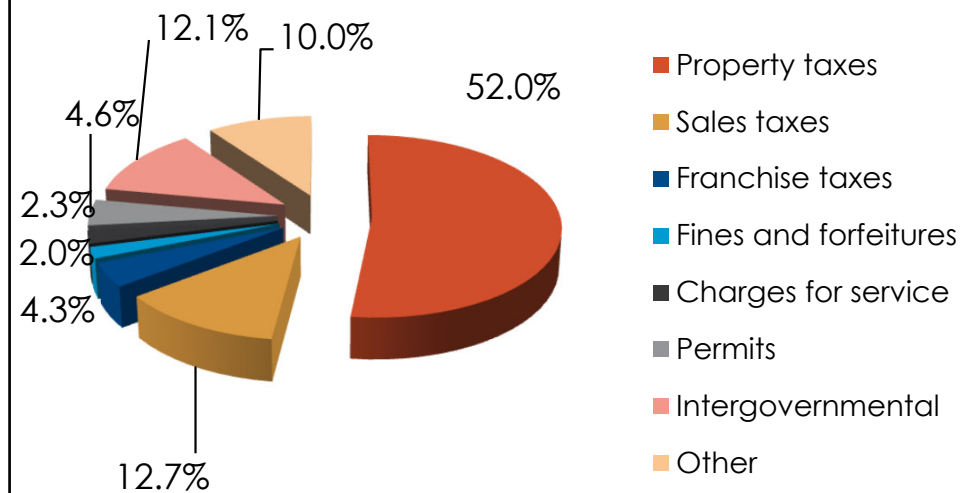
Comparison of Governmental Revenues by Source

Governmental Revenues for FY 2024 totaled \$17.8 million, a \$1.4 million or 9% increase. Increase is primarily attributable to the increase in Property Tax revenue (\$923 thousand), increase of Intergovernmental revenue (\$787 thousand), and decrease of Permit revenue (\$373 thousand).

FY 2024 Revenues

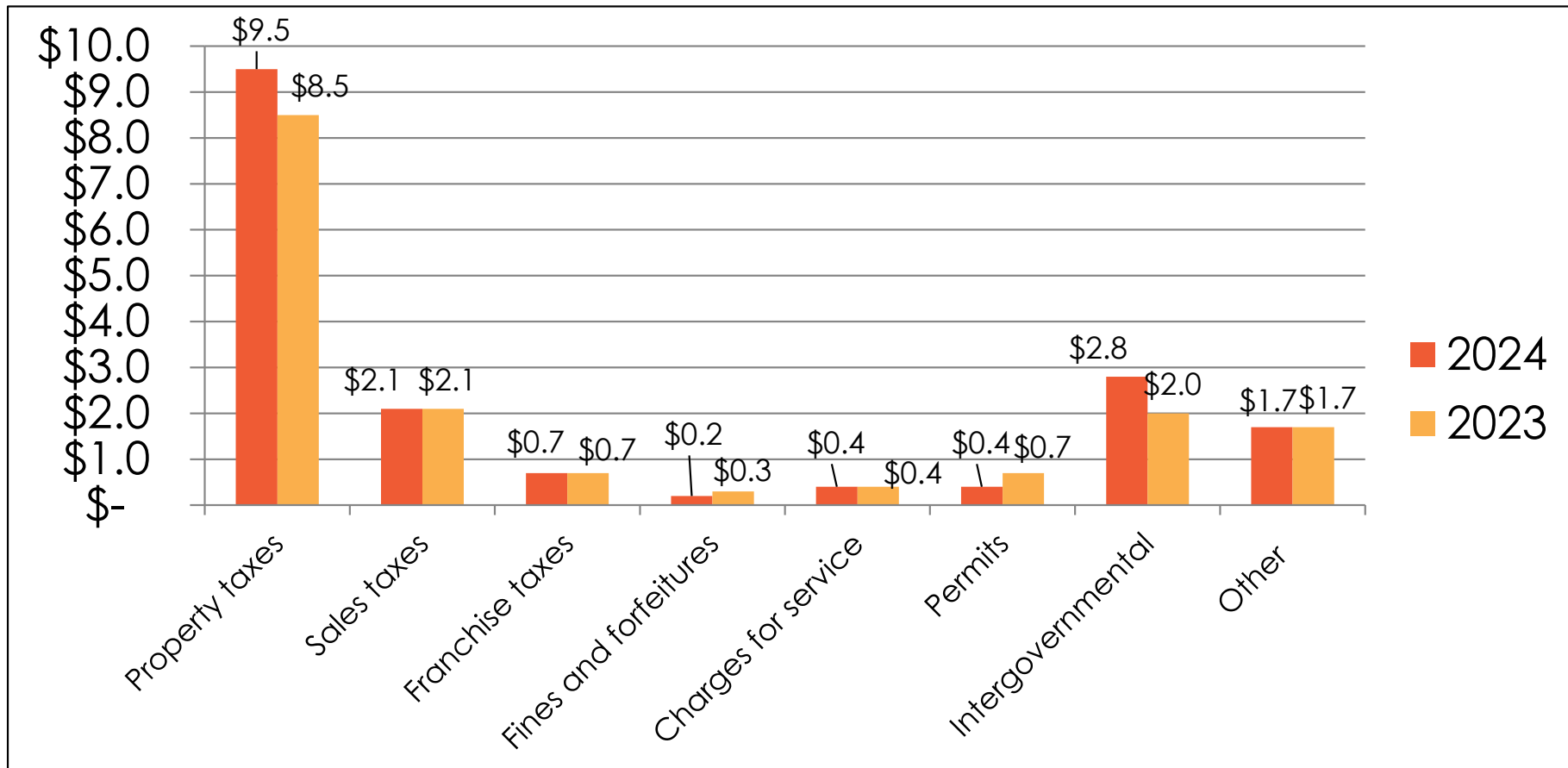


FY 2023 Revenues



Financial Highlights

Comparison of Governmental Revenues by Source



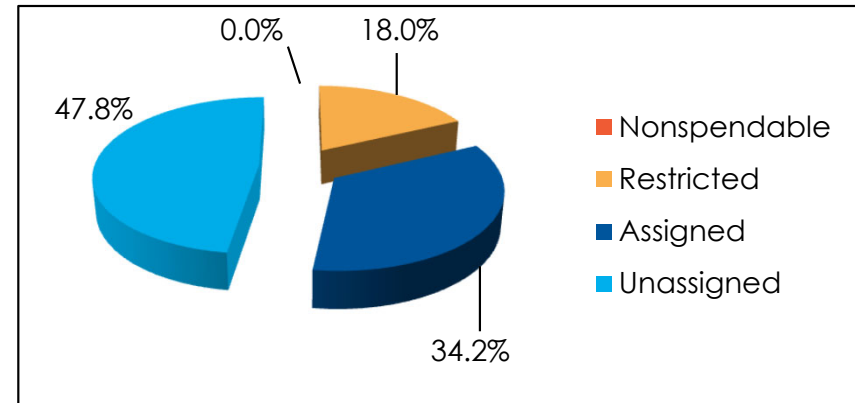
(2-year comparison – current year and prior year – in millions)

Financial Highlights

Fund Balances

Governmental Funds' Fund Balances

As of September 30, 2024, the Town's governmental funds reported a combined ending fund balance of \$12.5 million as follows:



Overall, fund balance of the Governmental Funds decreased by \$386 thousand.

- Capital Projects fund balance decreased \$956 thousand, due to \$2.6M in intergovernmental revenue recognized (EDA and final 50% McKinney contribution recognized), \$1.4M Tax Note proceeds, and \$0.5M transfers out, and \$4.9M of capital outlay (Frisco Rd project).
- Nonmajor governmental funds increased \$841 thousand, mostly due to \$764 thousand property tax revenue for the TIRZ fund and \$250 thousand in Hotel/motel tax revenue.

Financial Highlights

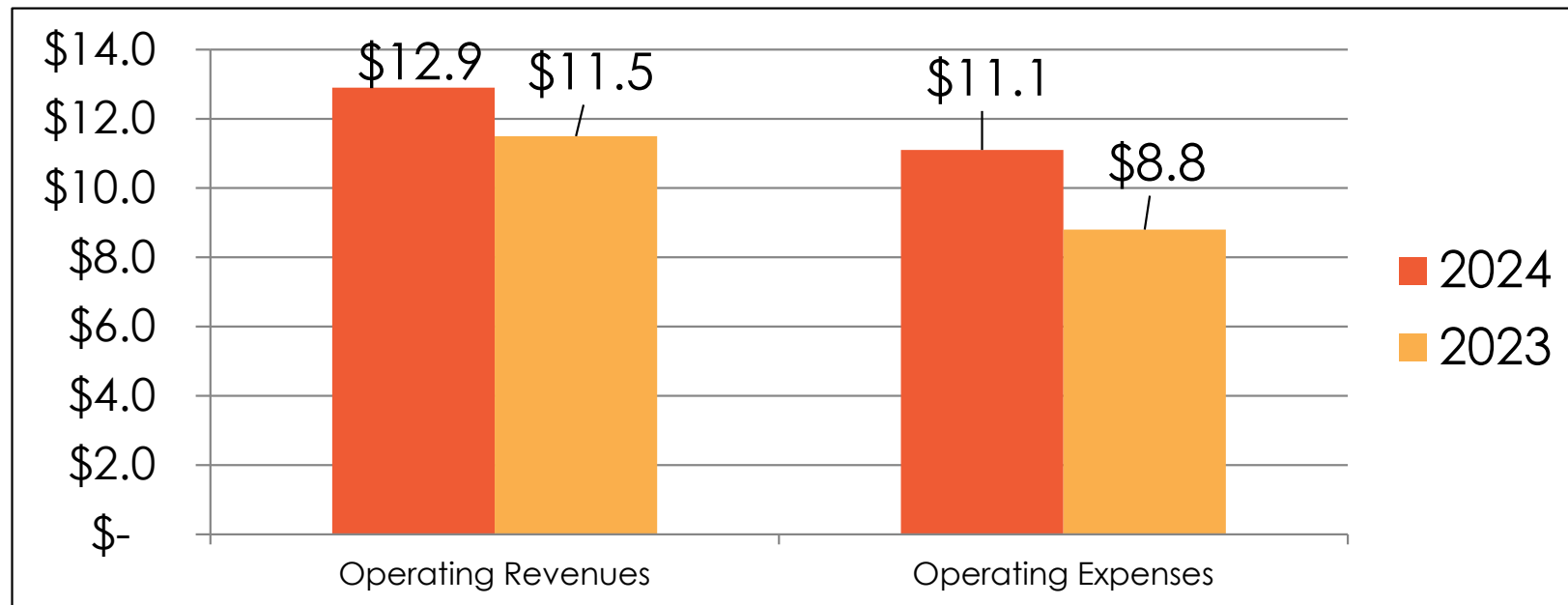
Budgetary Highlights – General Fund

The Town had a favorable budget variance of \$21K (net change in fund balance):

- Actual revenues were \$184K more than budgeted.
 - Property taxes was \$81K below budget
 - Permits was \$96K above budget
 - Franchise taxes was \$57K above budget
- Actual expenditures were \$112K above budget.
 - General Government was \$63K below budget
 - Public Safety was \$189K above budget

Financial Highlights

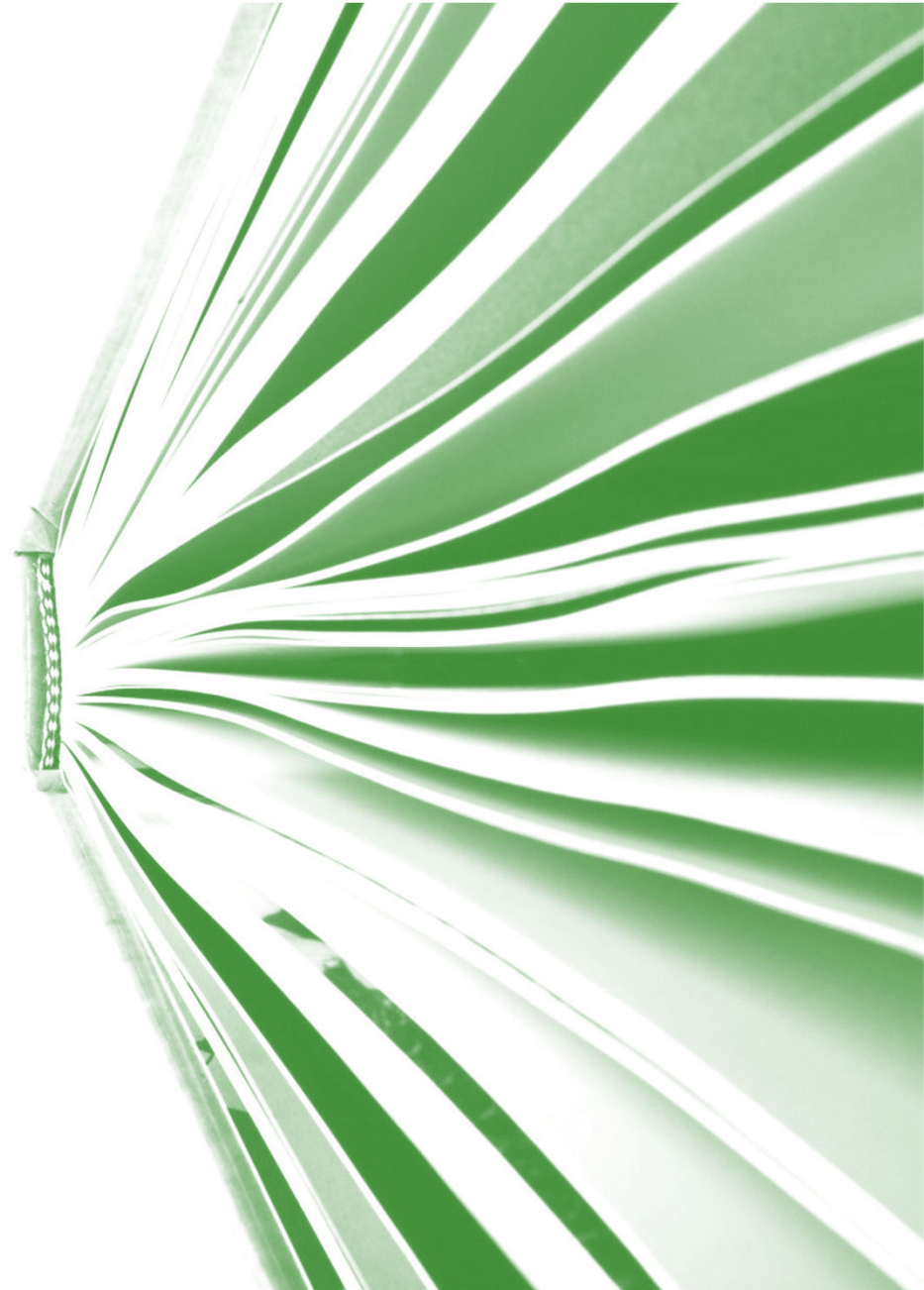
Comparison of Enterprise Funds Operating Revenues and Expenses – FY 2024 and the prior year (in millions)



Enterprise funds' net position increased by \$1.5 million during FY24.

- Operating revenues increased \$1.4 million primarily due to increased water sales and sewer charges.
- Operating expenses increased \$2.3M mostly due to increases in water purchases, costs of water, repair and maintenance expenses (drainage repair), and increased personnel costs due to the implementation of an updated pay plan.
- Nonoperating revenue included \$400,000 of intergovernmental revenue recognized for the use of ARPA funds on the Fox Glen Drainage project (Stormwater fund).

We appreciate the opportunity to work with
Town of Fairview
and look forward to our continued relationship.



DISCUSSION

Contact Us



John DeBurro

Partner, Assurance Services

Direct: (972) 448.6970

Email: john.deburro@weaver.com

Claire Wootton

Director, Assurance Services

Direct: (972) 448.6934

Email: claire.wootton@weaver.com

