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**Benbrook Library District**

*Financial Statements*

Year Ended September 30, 2021  
With Independent Auditor's Report

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**Benbrook Library District**  
**Financial Statements**  
**Year Ended September 30, 2021**

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**John K. Swaim**  
Certified Public Accountant

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## **Independent Auditors' Report**

To the Board of Trustees  
Benbrook Library District  
Benbrook, Texas

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major funds of the Benbrook Library District (the District), as of and for the year ended September 30, 2021, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major funds, and the aggregate remaining fund information of Benbrook Library District, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Audit Standards, I have also issued my report dated June 20, 2022, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing on internal control over financial reports and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance..

*John K. Swaim, CPA*

John K. Swaim, CPA  
Granbury, Texas  
June 20, 2022

# **Benbrook Library District**

## **Management's Discussion and Analysis - Unaudited**

### **For the Year Ended September 30, 2021**

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In this section of the Annual Financial and Compliance Report, we, the managers of Benbrook Library District, discuss and analyze the District's financial performance for the fiscal year ending September 30, 2021. Please read it in conjunction with the independent auditor's report, and the District's Basic Financial Statements.

#### **FINANCIAL HIGHLIGHTS**

- The District's total net position was \$4,490,402 at September 30, 2021.
- During the year, the District's revenues were \$1,638,107 generated in sales taxes and other revenues.
- The District had \$1,512,142 in expenditures during the year.
- The general fund reported a fund balance this year of \$2,173,591.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the District as a whole and present a long-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

#### **Reporting the District as a Whole - Government-wide Financial Statements**

##### ***The Statement of Net Position and the Statement of Activities:***

The analysis of the District's overall financial condition and operation's primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years. These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provides one measure of the District's financial health or financial position.

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**Benbrook Library District**  
**Management’s Discussion and Analysis – Unaudited (*Continued*)**  
**For the Year Ended September 30, 2021**

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Over time, increases or decreases in the District’s net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as the changes in sales tax collections, and the condition of the District’s facilities.

In the Statement of Net Position and Statement of Activities, we report the District’s governmental activities as follows:

Governmental activities – Most of the District’s basic services are reported here, including library services and general administration. Sales tax and other grants finance most of these activities.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant fund – not the District as a whole. The District’s basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District’s general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Our analysis focuses on the net position (Table I) and the changes in net position (Table II) of the District’s governmental activities. Net position of the District’s governmental activities was \$4,490,402 at September 30, 2021. Unrestricted net position – the part of net position that can be used to finance day- to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$876,233 at September 30, 2021.

**Table I**  
**Benbrook Library District**  
**Net Position**

	Governmental Activities 2021	2020	Percentage Change
Current and Other Assets	\$ 2,194,811	\$ 2,044,431	7
Capital and Non-Current Assets	2,346,674	2,364,648	(1)
Total Assets	4,541,485	4,409,079	3
Current Liabilities	51,083	44,642	14
Long Term Liabilities	-	-	
Total Liabilities	51,083	44,642	14
Net Position			
Net Investment in Capital Assets	2,346,674	2,364,648	(1)
Restricted	1,267,495	1,358,856	(7)
Unrestricted	876,233	640,933	37
Total Net Position	\$ 4,490,402	\$ 4,364,437	3

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**Benbrook Library District**  
**Management's Discussion and Analysis – Unaudited (Continued)**  
**For the Year Ended September 30, 2021**

**Table II**  
**Benbrook Library District**  
**Changes in Net Position**

	2021	2020	Percentage Change
<b>REVENUES</b>			
General revenue - sales tax	\$ 1,624,883	\$ 1,573,923	3
General revenue - erate revenue	1,811	20,491	(91)
General revenue - miscellaneous	7,238	1,524	375
General revenue - investment earnings	3,685	13,030	(72)
General revenue - other - donations	490	1,552	(68)
Total Revenue	<u>1,638,107</u>	<u>1,610,520</u>	2
<b>EXPENSES</b>			
Payroll and related	1,032,830	887,867	16
Cleaning supplies	4,740	5,075	(7)
Equipment accessories	2,290	7,004	(67)
Office supplies	15,461	8,439	83
Postage	3,480	1,686	106
Processing supplies	2,768	4,868	(43)
Programs supplies	13,031	14,737	(12)
Automation Cost - By Water	-	26,745	(100)
Automation Cost - Metro Pac	-	22,336	(100)
Courier	3,594	1,867	93
Discovery Garden	-	12,200	(100)
Cleaning service	29,435	27,570	7
Election cost	-	3,600	(100)
Equipment leasing	8,096	4,913	65
Internet setup/service	1,918	10,229	(81)
Interest expense	-	30	(100)
Lawn services	11,706	7,245	62
Late filing penalty	-	93	(100)
Liability and fire insurance	11,010	10,930	1
Memberships	873	1,081	(19)
MetroPac fine payments	147	113	30
Online services	108,737	69,709	56
Accounting fees	16,305	16,405	(1)
Legal fees	6,311	1,118	464
Other professional fees	600	242	148
Program presenter services	14,711	24,087	(39)
Publicity and public relations	1,045	522	100
Reimburse board members	2,430	2,700	(10)
Building repair and maintenance	14,969	30,675	(51)
Equipment maintenance and repair	2,690	4,044	(33)
Storage rental	985	32	2978
Meals	1,990	2,925	(32)
Mileage reimbursement	1,356	2,346	(42)
Travel	867	2,377	(64)
Dumpster and waste	1,374	1,316	4
Gas and electric	16,601	13,062	27
Telephone	3,842	3,483	10
Water	3,942	4,945	(20)
Depreciation	69,457	61,881	12
Removed from circulation/unreturned books	39,878	47,612	(16)
Audio/visual equipment	16,645	10,436	59
eBooks	14,816	9,159	62
Building and grounds	56	2,302	(98)
Equipment	9,973	13,147	(24)
Marketing	6,790	7,556	(10)
Library of things	995	2,117	(53)
Periodicals	4,163	1,505	177
Shelving and furniture	9,235	4,896	89
Total Expense	<u>1,512,142</u>	<u>1,399,227</u>	8
Increase in Net Position	125,965	211,293	(40)
Beginning Net Position	4,364,437	4,153,144	5
Ending Net Position	<u>\$ 4,490,402</u>	<u>\$ 4,364,437</u>	3

**Benbrook Library District  
 Management’s Discussion and Analysis – Unaudited (Continued)  
 For the Year Ended September 30, 2021**

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The District’s total revenues were \$1,638,107 for the fiscal year ending September 30, 2021. The total cost of all programs and services was \$1,512,142 for the year. The revenues received were used to help 60,781 visitors to the library this year, provide computer sessions, and to add items to the library’s catalog.

**THE DISTRICT’S FUNDS**

As the District completed the year, its governmental funds reported a combined balance of \$2,173,591. There is a balance of \$1,267,495 assigned for future construction. The remaining difference of \$906,096 is unassigned.

Over the course of the year, the Board of Trustees amended the District’s budget. These amendments were increases in appropriations to prevent budget overruns.

**CAPITAL ASSET**

At the end of the fiscal year 2021, the District had invested \$2,346,674 in a range of capital assets, including buildings, equipment, and library books. (See Table III).

**Table III  
 Benbrook Library District  
 Capital Assets**

	2021	2020	Percentage Change
Land	\$ 172,337	\$ 172,337	-
Buildings	2,021,122	2,021,122	-
Equipment	369,210	340,577	8
Library Books	843,397	820,547	3
Total at historical cost	<u>3,406,066</u>	<u>3,354,583</u>	2
Less accumulated depreciation	<u>(1,059,392)</u>	<u>(989,935)</u>	7
Net capital assets	<u>\$ 2,346,674</u>	<u>\$ 2,364,648</u>	(1)

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The District’s elected and appointed officials considered many factors when setting the fiscal year 2022 budget. The most significant factors are the District’s economy and population growth. Based upon these factors we budgeted an estimated \$1,644,664 expenditures for the next fiscal year..

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District’s business office, at Benbrook Library District, 1065 Mercedes St., Benbrook, TX 76126.



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**BASIC FINANCIAL STATEMENTS**

**Benbrook Library District**  
**Statement of Net Position**  
**September 30, 2021**

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	<u><b>Primary Government Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,897,906
Due from other governments	296,805
Employee advances	100
Capital Assets:	
Land	172,337
Buildings and grounds, net	1,255,794
Furniture and equipment, net	75,146
Library books	843,397
Total capital assets, net	<u>2,346,674</u>
<b>TOTAL ASSETS</b>	<u>4,541,485</u>
<b>LIABILITIES</b>	
Current liabilities	21,220
Accrued vacation	<u>29,863</u>
<b>TOTAL LIABILITIES</b>	<u>51,083</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,346,674
Restricted	1,267,495
Unrestricted	<u>876,233</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 4,490,402</u></u>

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*See accompanying notes to financial statements.*

**Benbrook Library District**  
**Statements of Activities and Changes in Net Position**  
**Year Ended September 30, 2021**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities Net (Expense) Revenue and Changes in Net Position</u>
<b>Governmental Activities</b>					
Personnel:					
Payroll and related	\$ 1,032,830	\$ -	\$ -	\$ -	\$ (1,032,830)
Supplies:					
Cleaning supplies	4,740	-	-	-	(4,740)
Equipment accessories	2,290	-	-	-	(2,290)
Office supplies	15,461	-	-	-	(15,461)
Postage	3,480	-	-	-	(3,480)
Processing supplies	2,768	-	-	-	(2,768)
Programs supplies	13,031	-	-	-	(13,031)
Contractual:					
Courier	3,594	-	-	-	(3,594)
Cleaning service	29,435	-	-	-	(29,435)
Equipment leasing	8,096	-	-	-	(8,096)
Internet setup/service	1,918	-	-	-	(1,918)
Lawn services	11,706	-	-	-	(11,706)
Liability and fire insurance	11,010	-	-	-	(11,010)
Memberships	873	-	-	-	(873)
MetroPac fine payments	147	-	-	-	(147)
Online services	108,737	-	-	-	(108,737)
Accounting fees	16,305	-	-	-	(16,305)
Legal fees	6,311	-	-	-	(6,311)
Other professional fees	600	-	-	-	(600)
Program presenter services	14,711	-	-	-	(14,711)
Publicity and public relations	1,045	-	-	-	(1,045)
Reimburse board members	2,430	-	-	-	(2,430)
Building repair and maintenance	14,969	-	-	-	(14,969)
Equipment maintenance and repair	2,690	-	-	-	(2,690)
Storage rental	985	-	-	-	(985)
Meals	1,990	-	-	-	(1,990)
Mileage reimbursement	1,356	-	-	-	(1,356)
Travel	867	-	-	-	(867)
Dumpster and waste	1,374	-	-	-	(1,374)
Gas and electric	16,601	-	-	-	(16,601)
Telephone	3,842	-	-	-	(3,842)
Water	3,942	-	-	-	(3,942)
Depreciation	69,457	-	-	-	(69,457)
Removed from circulation/unreturned books	39,878	-	-	-	(39,878)
Audio/visual equipment	16,645	-	-	-	(16,645)
eBooks	14,816	-	-	-	(14,816)
Building and grounds	56	-	-	-	(56)
Equipment	9,973	-	-	-	(9,973)
Marketing	6,790	-	-	-	(6,790)
Library of things	995	-	-	-	(995)
Periodicals	4,163	-	-	-	(4,163)
Shelving and furniture	9,235	-	-	-	(9,235)
Total Governmental Activities	<u>1,512,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,512,142)</u>
<b>Business-Type Activities</b>					
None	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 1,512,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,512,142)</u>
General Revenues and Special Items:					
State aid - sales tax					1,624,883
Erate revenue					1,811
Fines and miscellaneous					7,238
Investment revenue					3,685
Other revenue - donations					490
Total General Revenues and Special Items					<u>1,638,107</u>
Change in Net Position					125,965
Net Position at beginning of year					<u>4,364,437</u>
Net Position at end of year					<u>\$ 4,490,402</u>

See accompanying notes to financial statements.

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**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

**Benbrook Library District**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2021**

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	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
Cash and temporary investments (market)	\$ 1,897,906	\$ 1,897,906
Due from other governments	296,805	296,805
Employee advances	100	100
	<u>2,194,811</u>	<u>2,194,811</u>
Total assets		
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Current liabilities	\$ 21,220	\$ 21,220
	<u>21,220</u>	<u>21,220</u>
Total liabilities		
Fund balances:		
Assigned -future construction	1,267,495	1,267,495
Unassigned	906,096	906,096
	<u>2,173,591</u>	<u>2,173,591</u>
Total fund balance		
Total liabilities, deferred inflows and fund balances	<u>2,194,811</u>	<u>2,194,811</u>

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*See accompanying notes to financial statements.*

**Benbrook Library District**  
**Reconciliation of the Governmental Fund Balance Sheet to**  
**the Statement of Net Position**  
**Year Ended September 30, 2021**

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TOTAL FUND BALANCE-GOVERNMENTAL FUNDS	<u>\$ 2,173,591</u>
Amounts reported for Governmental Activities in the Statement of Net Position are different due to the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$3,354,583 and the accumulated depreciation was \$989,935. The net effect of including the beginning balances for capital assets (net of depreciation) is to increase net position.	2,364,648
Accrued vacation (liabilities) are carried forward into the next fiscal year and are not due and payable until employees take vacation; therefore, they are not reported in the funds.	(29,863)
Current year capital outlays of \$91,361 are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2021 capital outlays is to increase net position.	91,361
The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(69,457)
Removed from circulation and unreturned library books not reflected in fund financial statements.	<u>(39,878)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,490,402</u></u>

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*See accompanying notes to financial statements.*

**Benbrook Library District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended September 30, 2021**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>		
State aid - sales tax	\$ 1,624,883	\$ 1,624,883
Erate revenue	1,811	1,811
Fines and miscellaneous	7,238	7,238
Investment revenue	3,685	3,685
Other revenue - donations	490	490
Total revenues	<u>1,638,107</u>	<u>1,638,107</u>
<b>EXPENDITURES</b>		
Personnel:		
Payroll and related	1,034,364	1,034,364
Supplies:		
Cleaning supplies	4,740	4,740
Equipment accessories	2,290	2,290
Office supplies	15,461	15,461
Postage	3,480	3,480
Processing supplies	2,768	2,768
Programs supplies	13,031	13,031
Contractual:		
Courier	3,594	3,594
Cleaning service	29,435	29,435
Equipment leasing	8,096	8,096
Internet setup/service	1,918	1,918
Lawn services	11,706	11,706
Liability and fire insurance	11,010	11,010
Memberships	873	873
MetroPac fine payments	147	147
Online services	108,737	108,737
Accounting fees	16,305	16,305
Legal fees	6,311	6,311
Other professional fees	600	600
Program presenter services	14,711	14,711
Publicity and public relations	1,045	1,045
Reimburse board members	2,430	2,430
Building repair and maintenance	14,969	14,969
Equipment maintenance and repair	2,690	2,690
Storage rental	985	985
Meals	1,990	1,990
Mileage reimbursement	1,356	1,356
Travel	867	867
Dumpster and waste	1,374	1,374
Gas and electric	16,601	16,601
Telephone	3,842	3,842
Water	3,942	3,942
Capital Expenditures:		
Audio/visual equipment	16,645	16,645
eBooks	14,816	14,816
Building and grounds	56	56
Equipment	38,606	38,606
Marketing	6,790	6,790
Library of things	995	995
Periodicals	4,163	4,163
Shelving and furniture	9,235	9,235
Library books	62,728	62,728
	<u>1,495,702</u>	<u>1,495,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>142,405</u>	<u>142,405</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
None	-	-
Net change in fund balances	<u>142,405</u>	<u>142,405</u>
Fund balances at beginning of year	<u>2,031,186</u>	<u>2,031,186</u>
Fund balances at end of year	<u>\$ 2,173,591</u>	<u>\$ 2,173,591</u>

*See accompanying notes to financial statements.*

**Benbrook Library District**  
**Reconciliation of the Governmental Fund Statement of Revenues, Expenditures**  
**and Changes in Fund Balance to the Statement of Activities**  
**Year Ended September 30, 2021**

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NET CHANGE IN FUND BALANCE-GOVERNMENTAL FUNDS	<u>\$ 142,405</u>
<p>Amounts reported for Governmental Activities in the  Statement of Activities are different due to the following:</p>	
<p>Current year capital outlays of \$91,361 are expenditures in the fund financial statements. but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2021 capital outlays is to increase net position.</p>	91,361
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.</p>	(69,457)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. The net effect of these expenses is to increase net position.</p>	1,534
<p>Removed from circulation and unreturned library books not reflected in the fund financial statements.</p>	<u>(39,878)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 125,965</u></u>

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*See accompanying notes to financial statements.*



# **Benbrook Library District**

## **Notes to the Financial Statements**

### **Years Ended September 30, 2021**

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#### **1. Organization**

##### ***Reporting Entity***

Benbrook Library District, (the District) is a political subdivision formed under Chapter 326 of Section 1, Subtitle B, Title 10, Local Government Code when the citizens of the City of Benbrook voted on January 16, 1999, to increase the city's sales and use tax by ½% to fund the District. A Board of Trustees (the "Board") was elected by the public and has fiscal accountability over all activities related to providing public library services to the citizens of the City of Benbrook. The Board as a body corporate has the exclusive power and duty to govern and oversee the management of the District.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if it's official appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without the approval by the primary government. Accordingly, the District has no component units.

#### **2. Summary of Significant Accounting Policies**

The financial statements of the Benbrook Library District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below:

##### ***Government-wide***

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Government-wide (continued)***

During the year ended September 30, 2021, all of the District's activities were considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating, or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental funds are those funds through which most governmental functions typically are financed. The District has presented the following major government funds:

The General Fund – The general fund is the District's primary operating fund. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund, and any fund balances are considered available for current operations. Fund balances may be appropriated by the Board to implement its responsibilities.

***Basis of Accounting***

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position, and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental Funds are accounted for using a current financial resources measurement focus and modified accrual accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable. The District considers all revenues available if they are collectible within 60 days after year's end.

Revenues from sales tax sources consist primarily of local sales and use taxes. These taxes are initially collected and remitted to the State and then to the District. Sales and use tax revenues are recognized under the modified accrual basis of accounting. Other revenues and operating revenues are recorded as revenue when received in cash because they generally are not measurable until actually received. Investment earnings, if any, are recorded as earned since they are both measurable and available.

**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Basis of Accounting (continued)***

Contribution revenues from nongovernmental entities to provide cash or other assets are recognized (net of estimated uncollectable amounts) when all eligibility requirements are met, provided that the promise is verifiable and the resources are measurable and probable of collection.

Revenues received from grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as deferred revenues, and funds expended but not yet received are shown as receivables.

***Inventories***

The District records purchases of supplies and materials as expenditures when purchased. This method is used to avoid administrative costs that are excessive to the benefit gained because supplies tend to be purchased and used in the same reporting period.

***Capital Assets***

Land, buildings, library books, and equipment acquired for general purposes through the governmental funds are recorded as expenditures in the fund making the disbursement and capitalized at historical cost in the applicable governmental activities' columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value on the date of acceptance. Interest costs, if any, related to the acquisition of fixed assets are not capitalized. All assets are expensed using straight line depreciation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The useful lives for purposes of calculating depreciation are as follows:

Buildings and Grounds	15 years
Equipment	7 years
Library Books	Depletion

***Long-term Debt***

District long-term debt obligations are reported in the government-wide financial statements. Amounts recorded under government-wide financial statements represent obligations that will be met by future revenue sources that are not available as of the current balance sheet date. For the year ended September 30, 2021, the District had no long-term debt obligations.

**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Net Position***

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position for the District at September 30, 2021, was \$4,490,402.

***Fund Equity***

The District has adopted the provisions of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications under GASB Statement No. 54 are Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of the funds but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraints, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification with the General Fund.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent because they are either not in spendable form, or for legal or contractual reasons, must be kept intact. This classification includes prepaid items. At September 30, 2021, the District did not have non-spendable prepaid items.

Restricted – includes fund balance amounts that are a constraint for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision-making authority.

Assigned – includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. These funds are assigned by the Board of Trustees. At September 30, 2021, the District had \$1,267,495 in assigned fund balance for future construction.

**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

***Fund Equity (continued)***

Unassigned – includes residual positive fund balance within the General Fund which has been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. When multiple categories of fund balance are available for expenditure, the District will use the most restricted category first before moving down to the next category of available funds. At September 30, 2021, the District had \$906,096 in unassigned fund balance.

The District does not have a minimum fund balance policy.

***Deferred Inflows/Outflows***

The District has adopted the provisions of GASB Statement No 63, “Reporting Deferred Outflows, Deferred Inflows, and Net Position.” The objective of the statement is the reclassification of certain deferred assets and liabilities to deferred inflows and outflows of resources. This reclassification is limited to those instances listed by the GASB. The District does not have any amounts that would require classification under this pronouncement; however, under this pronouncement, the title of the Statement of Net Assets was changed to Statement of Net Position. The District has implemented this change.

The District has adopted the provisions of GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities.” This pronouncement addressed other deferred outflows and inflows of resources not previously covered under GASB No. 63. Under this pronouncement, the GASB determined that certain items previously reported as assets and liabilities should be recognized as revenues, expenses, or expenditures when incurred and should not be reported on statements of net position/balance sheets at all. The District has no instances of such items at September 30, 2021.

***Federal and State Grants***

The District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Any liability for reimbursement which may arise as the result of this audit is not believed to be material. During the year ended September 30, 2021, the District did not receive federal or state grants.

***Risk Management***

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year ended September 30, 2021, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there are no settlements exceeding insurance coverage for each of the past three fiscal years.

**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Subsequent Events*

In preparing the accompanying financial statements, management of the District has evaluated all subsequent events and transactions for potential recognition or disclosure through June 20, 2022 the date the accompanying financial statements were available for issuance.

As of the date of the report, the District is planning to relocate. The district has not approved the budget for relocation and there has been no commitment. We are not able to estimate its effects, but this may impact the carrying value or classification of assets, liabilities and fund balance or net position.

**3. Budgetary Legal Compliance**

For the period ended September 30, 2021, the General Fund was over-expended in the following functions:

<b>Fuction</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over Expenditure</b>
Payroll and related	1,000,362	1,034,364	34,002
Equipment accessories	2,000	2,290	290
Office supplies	13,500	15,461	1,961
Postage	3,200	3,480	280
Courier	-	3,594	3,594
Cleaning service	27,700	29,435	1,735
Equipment leasing	6,000	8,096	2,096
Lawn services	7,500	11,706	4,206
Liability and fire insurance	11,000	11,010	10
Memberships	775	873	98
MetroPac fine payments	-	147	147
Online services	94,695	108,737	14,042
Accounting fees	14,000	16,305	2,305
Other professional fees	-	600	600
Program presenter services	13,500	14,711	1,211
Publicity and public relations	-	1,045	1,045
Storage rental	-	985	985
Gas and electric	15,000	16,601	1,601
Telephone	3,500	3,842	342
Water	3,700	3,942	242
Periodicals	4,150	4,163	13
Library books	60,500	62,728	2,228

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**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**3. Budgetary Legal Compliance (Continued)**

The total General Fund budget was over-expended by \$19,445 or 1.30% of the final budget. The over-expenditures are considered immaterial in relation to the total. All expenditures are approved by the Board.

**4. Cash and Cash Equivalents**

At September 30, 2021, the carrying value of the District's deposit was \$690,490, excluding \$1,207,416 of investment considered as cash equivalents, and the bank balance was \$705,957. The District's cash deposits at September 30, 2021, and during the year then ended, were entirely covered by FDIC insurance and pledged collateral held by the District's agent bank in the District's name.

Cash-in-bank	\$ 690,490
Investments considered as cash equivalents	<u>1,207,416</u>
Total cash and cash equivalents	<u>\$ 1,897,906</u>

Interest-rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing mainly in money market accounts, which can be moved at any time. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The District has no specific limitations with respect to this metric.

At September 30, 2021, the District did not invest in any securities that are highly sensitive to interest rate fluctuations.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's deposits at September 30, 2021, were in unrated accounts at FDIC insured financial institutions.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2021, the District had all balances deposited with one financial institution.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**4. Cash and Cash Equivalents (Continued)**

The Public Funds Investment Act and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. September 30, 2021, the District’s entire bank deposits were secured by FDIC coverage and pledged collateral held by the District’s agent bank in the District’s name. The District investments are with the Texas Local Government Investment Pool (“TexPool”) and are not exposed to custodial credit risk for its investments.

The District’s investments at September 30, 2021, are shown below:

Investment Type	Carrying Amount	Fair Value
TexPool	\$ 1,207,416	\$ 1,207,416

**5. Disaggregation of Receivables and Payables**

Receivables at September 30, 2021, were as follows:

	Other Governments	Other	Total Receivables
Governmental Activities:			
General Fund	\$ 296,805	\$ 100	\$ 296,905
Total	\$ 296,805	\$ 100	\$ 296,905

Payables at September 30, 2021, were \$21,220 in payroll liabilities.

**6. Due from Other Governments**

The District’s primary source of revenue is from local sales and use taxes. These taxes are initially collected and remitted to the State and then to the District. Amounts due from the Texas Comptroller of Accounts are revenues collected but not remitted to the District until after September 30, 2021.



**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

**7. Capital Assets**

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not depreciated				
Land	\$ 172,337	\$ -	\$ -	\$ 172,337
Total capital assets, not depreciated	<u>172,337</u>	<u>-</u>	<u>-</u>	<u>172,337</u>
Capital assets, depreciated				
Buildings and grounds	2,021,122	-	-	2,021,122
Equipment	340,577	28,633	-	369,210
Library books	820,547	62,728	(39,878)	843,397
Total capital assets, depreciated	<u>3,182,246</u>	<u>91,361</u>	<u>(39,878)</u>	<u>3,233,729</u>
Less accumulated depreciation:				
Buildings and grounds	(712,844)	(52,484)	-	(765,328)
Equipment	(277,091)	(16,973)	-	(294,064)
Library books	-	-	-	-
Total accumulated depreciation	<u>(989,935)</u>	<u>(69,457)</u>	<u>-</u>	<u>(1,059,392)</u>
Total capital assets, depreciated, net	<u>2,192,311</u>	<u>21,904</u>	<u>(39,878)</u>	<u>2,174,337</u>
Total capital assets, net	<u>\$2,364,648</u>	<u>\$ 21,904</u>	<u>\$ (39,878)</u>	<u>\$2,346,674</u>

Depreciation expense as of September 30, 2021 was charged to governmental functions as follows:

Library Services	\$ 68,068
Administration	1,389
Total Depreciation Expense	<u>\$ 69,457</u>

**8. Long-term Debt**

At September 30, 2021, the District did not have long term debt. The interest and fees paid on long-term debt during the year were \$0.

**9. Revenue from Local and Intermediate Sources**

During the current year, local and intermediate revenue consisted of the following:

Sales and use tax revenue	\$ 1,624,883
Erate revenue	1,811
Fines and miscellaneous	7,238
Investment revenue	3,685
Other revenue - donations	490
Total Revenues	<u>\$ 1,638,107</u>

**Benbrook Library District**  
**Notes to the Financial Statements (Continued)**  
**Years Ended September 30, 2021**

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**10. Compensated Absences**

Vacations are to be taken within the same year they are earned, and any unused days at the end of the year may be carried forward into the next fiscal year. September 30, 2021, the estimated value of accumulated unused vacation days is \$29,863.

**11. Health Care**

During the year ended September 30, 2021, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums on behalf of the employees to the Plan; and, employees, at their option, could authorize payroll withholdings to pay premiums for dependents.

**12. Retirement Plan**

All eligible District employees are members of a 401 Qualified Retirement Plan administered by the International City Manager Association Retirement Fund.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Benbrook Library District**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule – General Funds – Non-GAAP (Unaudited)**  
**Year Ended September 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts Budgetary Basis</b>	<b>Final Budget Favorable (Unfavorable)</b>
<b>REVENUES</b>				
Sales and use tax revenue	\$ 1,500,000	\$ 1,500,000	\$ 1,624,883	\$ 124,883
Grant revenue	8,000	8,000	1,811	(6,189)
Fines and miscellaneous	(5,000)	(5,000)	1,569	6,569
Investment revenue	10,000	10,000	3,685	(6,315)
Library sales	7,000	7,000	5,669	(1,331)
Print station	300	300	-	(300)
Other revenue - donations	2,000	2,000	490	(1,510)
<b>Total revenues</b>	<b>1,522,300</b>	<b>1,522,300</b>	<b>1,638,107</b>	<b>115,807</b>
<b>EXPENDITURES</b>				
<b>Personnel:</b>				
Payroll and related	1,002,862	1,000,362	1,034,364	(34,002)
<b>Total Personnel</b>	<b>1,002,862</b>	<b>1,000,362</b>	<b>1,034,364</b>	<b>(34,002)</b>
<b>Supplies:</b>				
Cleaning supplies	6,000	6,000	4,740	1,260
Equipment accessories	2,000	2,000	2,290	(290)
Office supplies	7,500	13,500	15,461	(1,961)
Postage	1,000	3,200	3,480	(280)
Processing supplies	7,500	7,500	2,768	4,732
Programs supplies	16,000	16,000	13,031	2,969
<b>Total Supplies</b>	<b>40,000</b>	<b>48,200</b>	<b>41,770</b>	<b>6,430</b>
<b>Contractual:</b>				
Automation cost - MetroPac	15,300	7,500	-	7,500
Courier	-	-	3,594	(3,594)
Cleaning service	27,500	27,700	29,435	(1,735)
Election cost	12,000	10,200	-	10,200
Equipment leasing	6,000	6,000	8,096	(2,096)
Internet setup/service	10,500	10,500	1,918	8,582
Lawn services	7,500	7,500	11,706	(4,206)
Liability and fire insurance	11,000	11,000	11,010	(10)
Memberships	1,500	775	873	(98)
MetroPac fine payments	-	-	147	(147)
Online services	79,217	94,695	108,737	(14,042)
IT consulting and contracting	1,000	1,000	0	1,000
Accounting fees	14,000	14,000	16,305	(2,305)
Legal fees	3,000	8,500	6,311	2,189
Other professional fees	-	-	600	(600)
Program presenter services	35,000	13,500	14,711	(1,211)
Publicity and public relations	2,000	-	1,045	(1,045)
Reimburse board members	2,800	2,800	2,430	370
Building repair and maintenance	15,000	15,700	14,969	731
Equipment maintenance and repair	3,750	3,750	2,690	1,060
Storage rental	-	-	985	(985)
Travel	15,500	4,500	4,213	287
Dumpster and waste	1,375	1,375	1,374	1
Gas and electric	15,000	15,000	16,601	(1,601)
Telephone	3,500	3,500	3,842	(342)
Water	6,000	3,700	3,942	(242)
<b>Total Contractual</b>	<b>288,442</b>	<b>263,195</b>	<b>265,534</b>	<b>(2,339)</b>
<b>Capital Expenditures:</b>				
Audio/visual equipment	19,000	19,000	16,645	2,355
eBooks	15,000	15,000	14,816	184
Building and grounds	10,000	4,800	56	4,744
Equipment	20,000	40,000	38,606	1,394
Marketing	6,000	6,800	6,790	10
Library of things	5,000	5,000	995	4,005
Periodicals	1,750	4,150	4,163	(13)
Shelving and furniture	4,000	9,250	9,235	15
Library books	60,500	60,500	62,728	(2,228)
<b>Total Capital Expenditures</b>	<b>141,250</b>	<b>164,500</b>	<b>154,034</b>	<b>10,466</b>
<b>Total Expenditures</b>	<b>1,472,554</b>	<b>1,476,257</b>	<b>1,495,702</b>	<b>(19,445)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>49,746</b>	<b>46,043</b>	<b>142,405</b>	<b>135,252</b>
<b>Fund balances at beginning of year</b>	<b>2,031,186</b>	<b>2,031,186</b>	<b>2,031,186</b>	
<b>Fund balances at end of year</b>	<b>\$ 2,080,932</b>	<b>\$ 2,077,229</b>	<b>\$ 2,173,591</b>	

See accompanying notes to financial statements.

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**OVERALL COMPLIANCE AND  
INTERNAL CONTROLS**



**John K. Swaim**  
Certified Public Accountant

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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*

Board of Trustees  
Benbrook Library District  
Benbrook, Texas

Members of the Board of Trustees:

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benbrook Library District (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated June 20, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*John K. Swaim, CPA*

John K. Swaim, CPA  
Granbury, Texas  
June 20, 2022

**Benbrook Library District**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2021**

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**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weakness?	No
Noncompliance material to financial statements noted?	No

*Federal Awards – Not Applicable*

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

Not Applicable.





# **Benbrook Public Library**

1065 Mercedes  
Benbrook, Texas 76126

Phone: (817) 249-6632  
Fax: (817) 249-3326

## SCHEDULE OF STATUS OF PRIOR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2021

PRIOR YEAR'S FINDING/NONCOMPLIANCE – N/A



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## **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Contact Person: Erica Richardson, Library Director  
1065 Mercedes St.  
Benbrook, Texas 76126  
(817) 249-6632

CORRECTIVE ACTION PLAN: N/A