
Benbrook Library District

Financial Statements

Year Ended September 30, 2022
With Independent Auditor's Report

**Benbrook Library District
Financial Statements
Year Ended September 30, 2022**

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John K. Swaim
Certified Public Accountant

Independent Auditors' Report

To the Board of Trustees
Benbrook Library District
Benbrook, Texas

Report on the Financial Statements

Opinions

I have audited the 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, 2022, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements 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, 2022, 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.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

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 January 10, 2023, 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
January 10, 2023

Benbrook Library District

Management's Discussion and Analysis - Unaudited

For the Year Ended September 30, 2022

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, 2022. 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 \$4,638,352 at September 30, 2022.
- During the year, the District's revenues were \$1,955,327 generated in sales taxes and other revenues.
- The District had \$1,808,377 in expenditures during the year.
- The general fund reported a fund balance this year of \$2,237,042.

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.

Benbrook Library District
Management’s Discussion and Analysis – Unaudited (Continued)
For the Year Ended September 30, 2022

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 \$4,638,352 at September 30, 2022. 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 \$1,120,581 at September 30, 2022.

Table I
Benbrook Library District
Net Position

	Governmental Activities 2022	2021	Percentage Change
Current and Other Assets	\$ 2,270,314	\$ 2,044,431	11
Capital and Non-Current Assets	2,435,026	2,364,648	3
Total Assets	<u>4,705,340</u>	<u>4,409,079</u>	7
Current Liabilities	66,988	44,642	50
Long Term Liabilities	-	-	
Total Liabilities	<u>66,988</u>	<u>44,642</u>	50
Net Position			
Net Investment in Capital Assets	2,435,026	2,364,648	3
Restricted	1,082,745	1,358,856	(20)
Unrestricted	1,120,581	640,933	75
Total Net Position	<u>\$ 4,638,352</u>	<u>\$ 4,364,437</u>	6

Benbrook Library District
Management's Discussion and Analysis – Unaudited (Continued)
For the Year Ended September 30, 2022

Table II
Benbrook Library District
Changes in Net Position

	2022	2021	Percentage Change
REVENUES			
General revenue - sales tax	\$ 1,855,201	\$ 1,624,883	14
General revenue - grant revenue	53,793	1,811	2870
General revenue - campaign contributions	17,757	-	100
General revenue - miscellaneous	8,728	7,238	21
General revenue - investment earnings	12,283	3,685	233
General revenue - other - donations	7,565	490	1444
Total Revenue	<u>1,955,327</u>	<u>1,638,107</u>	19
EXPENSES			
Payroll and related	1,146,531	1,032,830	11
Cleaning supplies	6,420	4,740	35
Equipment accessories	2,260	2,290	(1)
Office supplies	15,227	15,461	(2)
Postage	2,365	3,480	(32)
Processing supplies	6,080	2,768	120
Programs supplies	21,737	13,031	67
Automation Cost - By Water	40,568	-	100
Courier	-	3,594	(100)
Cleaning service	26,482	29,435	(10)
Equipment leasing	13,477	8,096	66
Internet setup/service	1,972	1,918	3
Lawn services	9,545	11,706	(18)
Liability and fire insurance	21,703	11,010	97
Memberships	3,043	873	249
MetroPac fine payments	186	147	27
Online services	129,404	108,737	19
Accounting fees	18,401	16,305	13
Legal fees	4,744	6,311	(25)
Transcription Services	259	-	100
Other professional fees	-	600	(100)
IT Consulting & Contracting	22,403	-	100
Program presenter services	25,755	14,711	75
Publicity and public relations	-	1,045	(100)
Reimburse board members	2,610	2,430	7
Building repair and maintenance	17,321	14,969	16
Equipment maintenance and repair	2,727	2,690	1
Storage rental	930	985	(6)
Meals	6,512	1,990	227
Mileage reimbursement	2,757	1,356	103
Travel	9,812	867	1032
Dumpster and waste	1,387	1,374	1
Gas and electric	25,167	16,601	52
Telephone	3,254	3,842	(15)
Water	4,210	3,942	7
Capital Campaign Expenses	4,505	-	100
Depreciation	71,873	69,457	3
Removed from circulation/unreturned books	24,525	39,878	(38)
Audio/visual equipment	12,902	16,645	(22)
eBooks	17,978	14,816	21
Building and grounds	-	56	(100)
Equipment	41,732	9,973	318
Marketing	14,365	6,790	112
Library of things	3,935	995	295
Periodicals	3,621	4,163	(13)
Shelving and furniture	16,692	9,235	81
Total Expense	<u>1,807,377</u>	<u>1,512,142</u>	20
Increase in Net Position	147,950	125,965	17
Beginning Net Position	4,490,402	4,364,437	3
Ending Net Position	<u>\$ 4,638,352</u>	<u>\$ 4,490,402</u>	3

**Benbrook Library District
 Management’s Discussion and Analysis – Unaudited (Continued)
 For the Year Ended September 30, 2022**

The District’s total revenues were \$1,955,327 for the fiscal year ending September 30, 2022. The total cost of all programs and services was \$1,807,377 for the year. The revenues received were used to help 85,177 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 \$2,237,042. There is a balance of \$1,082,745 assigned for future construction. The remaining difference of \$1,154,297 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 2022, the District had invested \$2,435,026 in a range of capital assets, including buildings, equipment, and library books. (See Table III).

**Table III
 Benbrook Library District
 Capital Assets**

	2022	2021	Percentage Change
Land	\$ 172,337	\$ 172,337	-
Buildings	2,026,667	2,021,122	-
Equipment	382,750	369,210	4
Library Books	874,199	843,397	4
Vehicles	52,868	-	100
Construction In Progress	57,470	-	100
Total at historical cost	<u>3,566,291</u>	<u>3,406,066</u>	5
Less accumulated depreciation	<u>(1,131,265)</u>	<u>(1,059,392)</u>	7
Net capital assets	<u><u>\$ 2,435,026</u></u>	<u><u>\$ 2,346,674</u></u>	4

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The District’s elected and appointed officials considered many factors when setting the fiscal year 2023 budget. The most significant factors are the District’s economy and population growth. Based upon these factors we budgeted an estimated \$1,900,909 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.

BASIC FINANCIAL STATEMENTS

Benbrook Library District
Statement of Net Position
September 30, 2022

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,896,991
Due from other governments	332,755
Grant receivable - TSLAC	40,568
Capital Assets:	
Land	172,337
Buildings and grounds, net	1,208,701
Furniture and equipment, net	70,332
Library books	874,199
Vehicles, net	51,987
Construction In Progress	57,470
Total capital assets, net	<u>2,435,026</u>
TOTAL ASSETS	<u>4,705,340</u>
LIABILITIES	
Current liabilities	33,272
Accrued vacation	33,716
TOTAL LIABILITIES	<u>66,988</u>
NET POSITION	
Net investment in capital assets	2,435,026
Restricted	1,082,745
Unrestricted	1,120,581
TOTAL NET POSITION	<u>\$ 4,638,352</u>

See accompanying notes to financial statements.

Benbrook Library District
Statements of Activities and Changes in Net Position
Year Ended September 30, 2022

	<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>
Governmental Activities					
Personnel:					
Payroll and related	\$ 1,146,531	\$ -	\$ -	\$ -	\$ (1,146,531)
Supplies:					
Cleaning supplies	6,420	-	-	-	(6,420)
Equipment accessories	2,260	-	-	-	(2,260)
Office supplies	15,227	-	-	-	(15,227)
Postage	2,365	-	-	-	(2,365)
Processing supplies	6,080	-	-	-	(6,080)
Programs supplies	21,737	-	-	-	(21,737)
Contractual:					
Automation Cost - By Water	40,568	-	-	-	(40,568)
Cleaning service	26,482	-	-	-	(26,482)
Equipment leasing	13,477	-	-	-	(13,477)
Internet setup/service	1,972	-	-	-	(1,972)
Lawn services	9,545	-	-	-	(9,545)
Liability and fire insurance	21,703	-	-	-	(21,703)
Memberships	3,043	-	-	-	(3,043)
MetroPac fine payments	186	-	-	-	(186)
Online services	129,404	-	-	-	(129,404)
Accounting fees	18,401	-	-	-	(18,401)
Legal fees	4,744	-	-	-	(4,744)
Transcription Services	259	-	-	-	(259)
IT Consulting & Contracting	22,403	-	-	-	(22,403)
Program presenter services	25,755	-	-	-	(25,755)
Reimburse board members	2,610	-	-	-	(2,610)
Building repair and maintenance	17,321	-	-	-	(17,321)
Equipment maintenance and repair	2,727	-	-	-	(2,727)
Storage rental	930	-	-	-	(930)
Meals	6,512	-	-	-	(6,512)
Mileage reimbursement	2,757	-	-	-	(2,757)
Travel	9,812	-	-	-	(9,812)
Dumpster and waste	1,387	-	-	-	(1,387)
Gas and electric	25,167	-	-	-	(25,167)
Telephone	3,254	-	-	-	(3,254)
Water	4,210	-	-	-	(4,210)
Capital Campaign Expenditures:					
Capital Campaign	4,505	-	-	-	(4,505)
Capital Expenditures:					
Depreciation	71,873	-	-	-	(71,873)
Removed from circulation/unreturned books	24,525	-	-	-	(24,525)
Audio/visual equipment	12,902	-	-	-	(12,902)
eBooks	17,978	-	-	-	(17,978)
Equipment	41,732	-	-	-	(41,732)
Marketing	14,365	-	-	-	(14,365)
Library of things	3,935	-	-	-	(3,935)
Periodicals	3,621	-	-	-	(3,621)
Shelving and furniture	16,692	-	-	-	(16,692)
Total Governmental Activities	<u>1,807,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,807,377)</u>
Business-Type Activities					
None	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 1,807,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,807,377)</u>
General Revenues and Special Items:					
State aid - sales tax					1,855,201
Grant revenue					53,793
Capital Campaign Contributions					17,757
Fines and miscellaneous					8,728
Investment revenue					12,283
Other revenue - donations					7,565
Total General Revenues and Special Items					<u>1,955,327</u>
Change in Net Position					147,950
Net Position at beginning of year					<u>4,490,402</u>
Net Position at end of year					<u>\$ 4,638,352</u>

See accompanying notes to financial statements.

Benbrook Library District
Balance Sheet
Governmental Funds
September 30, 2022

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

Benbrook Library District
Balance Sheet
Governmental Funds
September 30, 2022

	General Fund	Total Governmental Funds
ASSETS		
Cash and temporary investments (market)	\$ 1,896,991	\$ 1,896,991
Due from other governments	332,755	332,755
Grant receivable - TSLAC	40,568	40,568
	<hr/>	<hr/>
Total assets	<u>2,270,314</u>	<u>2,270,314</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Current liabilities	\$ 33,272	\$ 33,272
	<hr/>	<hr/>
Total liabilities	<u>33,272</u>	<u>33,272</u>
Fund balances:		
Assigned -future construction	1,082,745	1,082,745
Unassigned	1,154,297	1,154,297
	<hr/>	<hr/>
Total fund balance	<u>2,237,042</u>	<u>2,237,042</u>
Total liabilities, deferred inflows and fund balances	<u>2,270,314</u>	<u>2,270,314</u>

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, 2022

TOTAL FUND BALANCE-GOVERNMENTAL FUNDS	<u>\$ 2,237,042</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 \$3,406,067 and the accumulated depreciation was \$1,059,392. The net effect of including the beginning balances for capital assets (net of depreciation) is to increase net position.	2,346,675
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.	(33,716)
Current year capital outlays of \$127,279 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 2022 capital outlays is to increase net position.	127,279
Current year capital campaign expense for construction in progress of \$57,470 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 2022 capital outlays is to increase net position.	57,470
The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(71,873)
Removed from circulation and unreturned library books not reflected in fund financial statements.	<u>(24,525)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,638,352</u></u>

See accompanying notes to financial statements.

Benbrook Library District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2022

	General Fund	Total Governmental Funds
REVENUES		
State aid - sales tax	\$ 1,855,201	\$ 1,855,201
Grant revenue	53,793	53,793
Capital Campaign Contributions	17,757	17,757
Fines and miscellaneous	8,728	8,728
Investment revenue	12,283	12,283
Other revenue - donations	7,565	7,565
Total revenues	<u>1,955,327</u>	<u>1,955,327</u>
EXPENDITURES		
Personnel:		
Payroll and related	1,142,678	1,142,678
Supplies:		
Cleaning supplies	6,420	6,420
Equipment accessories	2,260	2,260
Office supplies	15,227	15,227
Postage	2,365	2,365
Processing supplies	6,080	6,080
Programs supplies	21,737	21,737
Contractual:		
Automation Cost - By Water	40,568	40,568
Cleaning service	26,482	26,482
Equipment leasing	13,477	13,477
Internet setup/service	1,972	1,972
Lawn services	9,545	9,545
Liability and fire insurance	21,703	21,703
Memberships	3,043	3,043
MetroPac fine payments	186	186
Online services	129,404	129,404
Accounting fees	18,401	18,401
Legal fees	4,744	4,744
Transcription Services	259	259
IT Consulting & Contracting	22,403	22,403
Program presenter services	25,755	25,755
Reimburse board members	2,610	2,610
Building repair and maintenance	17,321	17,321
Equipment maintenance and repair	2,727	2,727
Storage rental	930	930
Meals	6,512	6,512
Mileage reimbursement	2,757	2,757
Travel	9,812	9,812
Dumpster and waste	1,387	1,387
Gas and electric	25,167	25,167
Telephone	3,254	3,254
Water	4,210	4,210
Capital Campaign Expenditures:		
Capital Campaign	61,975	61,975
Capital Expenditures:		
Audio/visual equipment	12,902	12,902
eBooks	17,978	17,978
Building and grounds	5,545	5,545
Equipment	55,272	55,272
Marketing	14,365	14,365
Library of things	3,935	3,935
Periodicals	3,621	3,621
Shelving and furniture	16,692	16,692
Vehicles	52,868	52,868
Library books	55,327	55,327
	<u>1,891,876</u>	<u>1,891,876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>63,451</u>	<u>63,451</u>
OTHER FINANCING SOURCES (USES):		
None	-	-
Net change in fund balances	<u>63,451</u>	<u>63,451</u>
Fund balances at beginning of year	<u>2,173,591</u>	<u>2,173,591</u>
Fund balances at end of year	<u>\$ 2,237,042</u>	<u>\$ 2,237,042</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, 2022

NET CHANGE IN FUND BALANCE-GOVERNMENTAL FUNDS \$ 63,451

Amounts reported for Governmental Activities in the
Statement of Activities are different due to the following:

Current year capital outlays of \$127,279 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 2022 capital outlays is to increase net position. 127,279

Current year capital campaign expense for construction in progress of \$57,470 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 2022 capital outlays is to increase net position. 57,470

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. (71,873)

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. (3,852)

Removed from circulation and unreturned library books not reflected in the fund financial statements. (24,525)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 147,950

Benbrook Library District

Notes to the Financial Statements

Years Ended September 30, 2022

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, 2022

2. Summary of Significant Accounting Policies (continued)

Government-wide (continued)

During the year ended September 30, 2022, 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, 2022

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, 2022, the District had no long-term debt obligations.

Benbrook Library District
Notes to the Financial Statements (Continued)
Years Ended September 30, 2022

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, 2022, was \$4,638,352.

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, 2022, 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, 2022, the District had \$1,082,745 in assigned fund balance for future construction.

Benbrook Library District
Notes to the Financial Statements (Continued)
Years Ended September 30, 2022

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, 2022, the District had \$1,154,297 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, 2022.

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, 2022, the District received \$40,568 in a grant from the Texas State Library & Archives Commission for the MetroShare library consortium. The total amount of the grant shall not exceed \$73,998 and expires on August 31, 2023.

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, 2022, 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, 2022

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 January 10, 2023, the date the accompanying financial statements were available for issuance. The District is not aware of any material subsequent events.

Implementation of New Accounting Standards

During 2022, the District implemented the provisions of GASB Statement No. 87, Leases (GASB 87). GASB 87 was proposed during 2017 and released in June of 2017. It was initially effective for reporting periods beginning subsequent to December 15, 2019. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which delayed the GASB 87 effective date by 18 months. This pronouncement now requires the adoption of GASB 87 for all fiscal years beginning subsequent to June 15, 2021.

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District adopted GASB 87 on October 1, 2021. For the fiscal year ended September 30, 2022, the District had no such leases.

Benbrook Library District
Notes to the Financial Statements (Continued)
Years Ended September 30, 2022

3. Budgetary Legal Compliance

For the period ended September 30, 2022, the General Fund was over-expended in the following functions:

Fuction	Final Budget	Actual	Over Expenditure
Payroll and related	1,092,205	1,142,678	50,473
Office supplies	13,500	15,227	1,727
Processing supplies	5,500	6,080	580
Automation Cost - By Water	-	40,568	40,568
Equipment leasing	13,000	13,477	477
Internet setup/service	1,200	1,972	772
Lawn services	9,500	9,545	45
Liability and fire insurance	13,000	21,703	8,703
Online services	124,238	129,404	5,166
Transcription Services	-	259	259
IT Consulting & Contracting	22,000	22,403	403
Building repair and maintenance	16,300	17,321	1,021
Travel and entertainment	18,500	19,081	581
Dumpster and waste	1,375	1,387	12
Gas and electric	22,000	25,167	3,167
Equipment	53,000	55,272	2,272
Vehicles	-	52,868	52,868

The total General Fund budget was over-expended by \$131,412 or 7.5% of the final budget. The General fund received \$248,627 more in revenue than the final budgeted amount. Thus, the net effect is a favorable \$117,215. All expenditures were approved by the Board.

4. Cash and Cash Equivalents

At September 30, 2022, the carrying value of the District's deposit was \$681,079, excluding \$1,215,912 of investment considered as cash equivalents, and the bank balance was \$686,027. The District's cash deposits at September 30, 2022, 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	\$ 681,079
Investments considered as cash equivalents	1,215,912
	<hr/>
Total cash and cash equivalents	<u>\$ 1,896,991</u>

Benbrook Library District
Notes to the Financial Statements (Continued)
Years Ended September 30, 2022

4. Cash and Cash Equivalents (Continued)

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, 2022, 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, 2022, 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, 2022, the District had all balances deposited with one financial institutions.

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.

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, 2022, 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, 2022, are shown below:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
TexPool	\$ 1,215,912	\$ 1,215,912

Benbrook Library District
Notes to the Financial Statements (Continued)
Years Ended September 30, 2022

5. Disaggregation of Receivables and Payables

Receivables at September 30, 2022, were as follows:

	Other Governments	Other	Total Receivables
Governmental Activities:			
General Fund	\$ 373,323	\$ -	\$ 373,323
Total	<u>\$ 373,323</u>	<u>\$ -</u>	<u>\$ 373,323</u>

Payables at September 30, 2022, were \$33,272 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, 2022.

7. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not depreciated				
Land	\$ 172,337	\$ -	\$ -	\$ 172,337
Construction In Progress	-	57,470	-	57,470
Total capital assets, not depreciated	<u>172,337</u>	<u>57,470</u>	<u>-</u>	<u>229,807</u>
Capital assets, depreciated				
Buildings and grounds	2,021,122	5,545	-	2,026,667
Equipment	369,210	13,540	-	382,750
Vehicles	-	52,868	-	52,868
Library books	843,397	55,327	(24,525)	874,199
Total capital assets, depreciated	<u>3,233,729</u>	<u>127,280</u>	<u>(24,525)</u>	<u>3,336,484</u>
Less accumulated depreciation:				
Buildings and grounds	(765,328)	(52,638)	-	(817,966)
Equipment	(294,064)	(18,354)	-	(312,418)
Vehicles	-	(881)	-	(881)
Library books	-	-	-	-
Total accumulated depreciation	<u>(1,059,392)</u>	<u>(71,873)</u>	<u>-</u>	<u>(1,131,265)</u>
Total capital assets, depreciated, net	<u>2,174,337</u>	<u>55,407</u>	<u>(24,525)</u>	<u>2,205,219</u>
Total capital assets, net	<u>\$2,346,674</u>	<u>\$ 112,877</u>	<u>\$ (24,525)</u>	<u>\$2,435,026</u>

Benbrook Library District
Notes to the Financial Statements (Continued)
Years Ended September 30, 2022

7. Capital Assets (Continued)

Depreciation expense as of September 30, 2022 was charged to governmental functions as follows:

Library Services	\$ 70,436
Administration	<u>1,437</u>
Total Depreciation Expense	<u>\$ 71,873</u>

8. Capital Campaign

During FY 2022, the District began a new capital campaign project. The purpose of the campaign is to raise approximately \$30 million dollars, through grants and contributions, for an 45,000 sq ft facility. As of the date of this report, the District was undecided on building a new facility, or purchasing a building for renovation. The project is in its infancy and is expected to encompass several years before completion. As of September 30, 2022, the District had received \$17,757 in campaign contributions, had spent \$57,470 in engineering and architectural fees, and had capital campaign expenditures totaling \$4,505.

9. Long-term Debt

At September 30, 2022, the District did not have long term debt. The interest and fees paid on long-term debt during the year were \$0.

10. Revenue from Local and Intermediate Sources

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

Sales and use tax revenue	\$ 1,855,201
Grant revenue	53,793
Capital Campaign Contributions	17,757
Fines and miscellaneous	8,728
Investment revenue	12,283
Other revenue - donations	<u>7,565</u>
Total Revenues	<u>\$ 1,955,327</u>

11. 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, 2022, the estimated value of accumulated unused vacation days is \$33,716.

Benbrook Library District
Notes to the Financial Statements (Continued)
Years Ended September 30, 2022

12. Health Care

During the year ended September 30, 2022, 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.

13. Retirement Plan

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

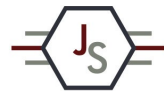
REQUIRED SUPPLEMENTARY INFORMATION

Benbrook Library District
Required Supplementary Information
Budgetary Comparison Schedule – General Funds – Non-GAAP (Unaudited)
Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts Budgetary Basis	Final Budget Favorable (Unfavorable)
REVENUES				
Sales and use tax revenue	\$ 1,580,000	\$ 1,700,000	\$ 1,855,201	\$ 155,201
Grant revenue	2,000	2,000	53,793	51,793
Capital Campaign Contributions	-	-	17,757	17,757
Fines and miscellaneous	(3,700)	(6,200)	(1,253)	4,947
Investment revenue	3,500	3,500	12,283	8,783
Library sales	5,400	5,400	9,981	4,581
Other revenue - donations	2,000	2,000	7,565	5,565
Total revenues	1,589,200	1,706,700	1,955,327	248,627
EXPENDITURES				
Personnel:				
Payroll and related	1,092,205	1,092,205	1,142,678	(50,473)
Total Personnel	1,092,205	1,092,205	1,142,678	(50,473)
Supplies:				
Cleaning supplies	5,000	7,000	6,420	580
Equipment accessories	2,500	2,500	2,500	240
Office supplies	13,500	13,500	15,227	(1,727)
Postage	3,200	3,200	2,365	835
Processing supplies	3,500	5,500	6,080	(580)
Programs supplies	16,000	23,500	21,737	1,763
Total Supplies	43,700	55,200	54,089	1,111
Contractual:				
Automation Cost - By Water	-	-	40,568	(40,568)
Cleaning service	27,700	27,700	26,482	1,218
Election cost	15,000	-	-	-
Equipment leasing	6,000	13,000	13,477	(477)
Internet setup/service	1,200	1,200	1,972	(772)
Lawn services	7,500	9,500	9,545	(45)
Liability and fire insurance	11,000	13,000	21,703	(8,703)
Memberships	1,500	3,500	3,043	457
MetroPac fine payments	-	300	186	114
Online services	111,238	124,238	129,404	(5,166)
Accounting fees	16,000	18,500	18,401	99
Legal fees	3,000	5,500	4,744	756
Transcription Services	-	-	259	(259)
IT Consulting & Contracting	1,000	22,000	22,403	(403)
Program presenter services	35,000	35,000	25,755	9,245
Publicity and public relations	1,000	-	-	-
Reimburse board members	2,800	2,800	2,610	190
Building repair and maintenance	15,000	16,300	17,321	(1,021)
Equipment maintenance and repair	4,000	3,500	2,727	773
Storage rental	-	1,000	930	70
Travel and entertainment	15,500	18,500	19,081	(581)
Dumpster and waste	1,375	1,375	1,387	(12)
Gas and electric	15,000	22,000	25,167	(3,167)
Telephone	3,500	3,500	3,254	246
Water	6,000	4,700	4,210	490
Total Contractual	300,313	347,113	394,629	(47,516)
Capital Campaign Expenditures:				
Capital Campaign	-	67,000	61,975	5,025
Total Capital Campaign Expenditures	-	67,000	61,975	5,025
Capital Expenditures:				
Audio/visual equipment	19,000	19,000	12,902	6,098
eBooks	18,000	18,000	17,978	22
Building and grounds	10,000	6,000	5,545	455
Equipment	25,000	53,000	55,272	(2,272)
Marketing	4,000	14,500	14,365	135
Library of things	5,000	5,000	3,935	1,065
Periodicals	4,200	4,200	3,621	579
Shelving and furniture	5,000	17,000	16,692	308
Vehicles	-	-	52,868	(52,868)
Library books	62,246	62,246	55,327	6,919
Total Capital Expenditures	152,446	198,946	238,505	(39,559)
Total Expenditures	1,588,664	1,760,464	1,891,876	(131,412)
Excess (Deficiency) of Revenues Over (Under) Expenditures	536	(53,764)	63,451	117,215
Fund balances at beginning of year	2,173,591	2,173,591	2,173,591	
Fund balances at end of year	\$ 2,174,127	\$ 2,119,827	\$ 2,237,042	

See accompanying notes to financial statements.

**OVERALL COMPLIANCE AND
INTERNAL CONTROLS**



John K. Swaim
Certified Public Accountant

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, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued my report thereon dated January 10, 2023.

Report on 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.



Report on 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
January 10, 2023

Benbrook Library District
Schedule of Findings and Responses
For the Year Ended September 30, 2022

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, 2022

PRIOR YEAR'S FINDING/NONCOMPLIANCE – N/A



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CORRECTIVE ACTION PLAN FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

CORRECTIVE ACTION PLAN: N/A