
Benbrook Library District

Financial Statements

Year Ended September 30, 2024
With Independent Auditor's Report

Benbrook Library District
Financial Statements
Year Ended September 30, 2024

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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, 2024, 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, 2024, 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). 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.

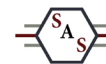
Responsibilities of Management for the Financial Statements

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.

Swaim Accounting Services, Inc.

Granbury, Texas
January 02, 2025

Benbrook Library District

Management's Discussion and Analysis - Unaudited

For the Year Ended September 30, 2024

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, 2024. 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 \$4,703,031 at September 30, 2024.
- During the year, the District's revenues were \$2,381,900 generated in sales taxes and other revenues.
- The District had \$2,593,982 in expenditures during the year.
- The general fund reported a fund balance this year of \$2,107,983.

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, 2024

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 \$4,703,031 at September 30, 2024. 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 \$1,624,811 at September 30, 2024.

Table I
Benbrook Library District
Net Position

	Governmental Activities 2024	2023	Percentage Change
Current and Other Assets	\$ 2,201,681	\$ 2,497,200	(12)
Capital and Non-Current Assets	2,631,372	2,635,326	(0)
Total Assets	4,833,053	5,132,526	(6)
Current Liabilities	130,022	217,101	(40)
Long Term Liabilities	-	-	
Total Liabilities	130,022	217,101	(40)
Net Position			
Net Investment in Capital Assets	2,631,372	2,635,326	(0)
Restricted	446,848	757,289	(41)
Unrestricted	1,624,811	1,522,810	7
Total Net Position	\$ 4,703,031	\$ 4,915,425	(4)

Benbrook Library District
Management's Discussion and Analysis – Unaudited (*Continued*)
For the Year Ended September 30, 2024

Table II
Benbrook Library District
Changes in Net Position

	2024	2023	Percentage Change
REVENUES			
General revenue - sales tax	\$ 2,106,276	\$ 2,238,486	(6)
Charges for service - courier	44,745	-	100
General revenue - grant revenue	45,030	104,141	(57)
General revenue - campaign contributions	2,943	26,360	(89)
General revenue - miscellaneous	834	3,553	(77)
General revenue - investment earnings	100,058	75,173	33
General revenue - other - donations	82,014	11,874	591
Total Revenue	2,381,900	2,459,587	(3)
EXPENSES			
Payroll and related	1,473,009	1,374,704	7
Cleaning supplies	1,549	3,978	(61)
Equipment accessories	666	2,082	(68)
Office supplies	24,903	19,662	27
Postage	2,199	3,036	(28)
Processing supplies	8,678	4,660	86
Programs supplies	39,614	29,218	36
Automation Cost - By Water	4,724	-	100
Courier	2,270	2,194	3
Cleaning service	26,218	27,297	(4)
Election cost	18,073	1,430	1164
Equipment leasing	11,419	12,156	(6)
Internet setup/service	-	1,081	(100)
Lawn services	9,989	8,694	15
Liability and fire insurance	18,543	16,235	14
Memberships	9,582	4,186	129
Online services	72,789	128,783	(43)
Accounting fees	22,100	20,400	8
Legal fees	12,204	4,224	189
Payroll processing fees	10,867	11,545	(6)
Professional fees	-	13,392	(100)
IT consulting and contracting	41,160	40,940	1
Consulting services	38,568	24,686	56
Tax Recovery	68,921	-	100
Program presenter services	25,660	34,797	(26)
Reimburse board members	6,000	2,700	122
Building repair and maintenance	37,526	42,958	(13)
Equipment maintenance and repair	1,688	5,765	(71)
Storage rental	960	1,440	(33)
Meals	16,250	12,919	26
Mileage reimbursement	6,694	7,517	(11)
Travel	43,505	30,400	43

Benbrook Library District
Management's Discussion and Analysis – Unaudited (*Continued*)
For the Year Ended September 30, 2024

Table II
Benbrook Library District
Changes in Net Position - Continued

	2024	2023	Percentage Change
Dumpster and waste	2,260	1,572	44
Gas and electric	18,380	14,268	29
Telephone	14,246	3,251	338
Water	3,450	3,996	(14)
Other	513	471	9
Capital Campaign	165	38,206	(100)
Depreciation	123,765	95,565	30
Removed from circulation/unreturned books	190,629	29,591	544
Audio/visual equipment	5,574	16,817	(67)
eBooks	79,710	20,362	291
Building and landscaping	18,022	4,098	340
Building Renovation	20,754	-	100
Equipment	20,843	10,234	104
Marketing	7,842	18,252	(57)
Library of things	308	3,896	(92)
Periodicals	4,206	5,046	(17)
Shelving and furniture	22,157	17,276	28
Vehicles	4,830	6,535	(26)
Total Expense	2,593,982	2,182,515	19
Increase in Net Position	(212,082)	277,072	(177)
Beginning Net Position	4,915,113	4,638,041	6
Ending Net Position	\$ 4,703,031	\$ 4,915,113	(4)

The District's total revenues were \$2,381,900 for the fiscal year ending September 30, 2024. The total cost of all programs and services was \$2,593,982 for the year. The revenues received were used to help 101,277 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 \$2,107,983. There is a balance of \$446,848 assigned for future construction. The remaining difference of \$1,661,135 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 2024, the District had invested \$2,631,372 in a range of capital assets, including buildings, equipment, and library books. (See Table III).

Benbrook Library District
Management's Discussion and Analysis – Unaudited (*Continued*)
For the Year Ended September 30, 2024

Table III
Benbrook Library District
Capital Assets

	2024	2023	Percentage Change
Land	\$ 172,337	\$ 172,337	0
Buildings	2,395,720	2,183,711	10
Equipment	541,450	498,799	9
Library Books	762,122	896,971	(15)
Vehicles	52,868	52,868	0
Construction In Progress	57,470	57,470	0
Total at historical cost	3,981,967	3,862,156	3
Less accumulated depreciation	(1,350,595)	(1,226,830)	10
Net capital assets	<u>\$ 2,631,372</u>	<u>\$ 2,635,326</u>	(0)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's elected and appointed officials considered many factors when setting the fiscal year 2025 budget. The most significant factors are the District's economy and population growth. Based upon these factors we budgeted an estimated \$2,431,730 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, 2024

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,860,044
Prepaid expense	3,120
Due from other governments	338,517
Capital Assets:	
Land	172,337
Buildings and grounds, net	1,454,441
Furniture and equipment, net	154,162
Library books	762,122
Vehicles, net	30,840
Construction In Progress	57,470
Total capital assets, net	<u>2,631,372</u>
TOTAL ASSETS	<u>4,833,053</u>
LIABILITIES	
Current liabilities	93,698
Accrued vacation	<u>36,324</u>
TOTAL LIABILITIES	<u>130,022</u>
NET POSITION	
Net investment in capital assets	2,631,372
Restricted	446,848
Unrestricted	<u>1,624,811</u>
TOTAL NET POSITION	<u><u>\$ 4,703,031</u></u>

See accompanying notes to financial statements.

Benbrook Library District
Statements of Activities and Changes in Net Position
Year Ended September 30, 2024

				Governmental Activities
				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities				
Personnel:				
Payroll and related	\$ 1,473,009	\$ -	\$ -	\$ (1,473,009)
Supplies:				
Cleaning supplies	1,549	-	-	(1,549)
Equipment accessories	666	-	-	(666)
Office supplies	24,903	-	-	(24,903)
Postage	2,199	-	-	(2,199)
Processing supplies	8,678	-	-	(8,678)
Programs supplies	39,614	-	-	(39,614)
Contractual:				
Automation Cost - ByWater	4,724	-	-	(4,724)
Courier	2,270	44,745	-	42,475
Cleaning service	26,218	-	-	(26,218)
Election cost	18,073	-	-	(18,073)
Equipment leasing	11,419	-	-	(11,419)
Lawn services	9,989	-	-	(9,989)
Liability and fire insurance	18,543	-	-	(18,543)
Memberships	9,582	-	-	(9,582)
Online services	72,789	-	-	(72,789)
Accounting fees	22,100	-	-	(22,100)
Legal fees	12,204	-	-	(12,204)
Payroll processing fees	10,867	-	-	(10,867)
IT consulting and contracting	41,160	-	-	(41,160)
Consulting services	38,568	-	-	(38,568)
Tax Recovery	68,921	-	-	(68,921)
Program presenter services	25,660	-	-	(25,660)
Reimburse board members	6,000	-	-	(6,000)
Building repair and maintenance	37,526	-	-	(37,526)
Equipment maintenance and repair	1,688	-	-	(1,688)
Storage rental	960	-	-	(960)
Meals	16,250	-	-	(16,250)
Mileage reimbursement	6,694	-	-	(6,694)
Travel	43,505	-	-	(43,505)
Dumpster and waste	2,260	-	-	(2,260)
Gas and electric	18,380	-	-	(18,380)
Telephone	14,246	-	-	(14,246)
Water	3,450	-	-	(3,450)
Other	513	-	-	(513)

See accompanying notes to financial statements.

Benbrook Library District
Statements of Activities and Changes in Net Position - Continued
Year Ended September 30, 2024

				Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Capital Campaign Expenditures:				
Capital Campaign	165	-	-	(165)
Capital Expenditures:				
Depreciation	123,765	-	-	(123,765)
Removed from circulation/unreturned books	190,629	-	-	(190,629)
Audio/visual equipment	5,574	-	-	(5,574)
eBooks	79,710	-	-	(79,710)
Building and landscaping	18,022	-	-	(18,022)
Building Renovation	20,754	-	-	(20,754)
Equipment	20,843	-	-	(20,843)
Marketing	7,842	-	-	(7,842)
Library of things	308	-	-	(308)
Periodicals	4,206	-	-	(4,206)
Shelving and furniture	22,157	-	-	(22,157)
Vehicles	4,830	-	-	(4,830)
Total Governmental Activities	<u>2,593,982</u>	<u>44,745</u>	<u>-</u>	<u>(2,549,237)</u>
Business-Type Activities				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 2,593,982</u>	<u>\$ 44,745</u>	<u>\$ -</u>	<u>(2,549,237)</u>
General Revenues and Special Items:				
State aid - sales tax				2,106,276
Grant revenue				45,030
Capital Campaign Contributions				2,943
Fines and miscellaneous				834
Investment revenue				100,058
Other revenue - donations				82,014
Total General Revenues and Special Items				<u>2,337,155</u>
Change in Net Position				(212,082)
Net Position at beginning of year				<u>4,915,113</u>
Net Position at end of year				<u>\$ 4,703,031</u>

**GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

Benbrook Library District
Balance Sheet
Governmental Funds
September 30, 2024

	General Fund	Total Governmental Funds
ASSETS		
Cash and temporary investments (market)	\$ 1,860,044	\$ 1,860,044
Prepaid expense	3,120	3,120
Due from other governments	338,517	338,517
	<hr/>	<hr/>
Total assets	2,201,681	2,201,681
	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Current liabilities	\$ 93,698	\$ 93,698
	<hr/>	<hr/>
Total liabilities	93,698	93,698
	<hr/>	<hr/>
Fund balances:		
Assigned -future construction	446,848	446,848
Unassigned	1,661,135	1,661,135
	<hr/>	<hr/>
Total fund balance	2,107,983	2,107,983
	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances	2,201,681	2,201,681
	<hr/>	<hr/>

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, 2024

TOTAL FUND BALANCE-GOVERNMENTAL FUNDS	<u>\$ 2,107,983</u>
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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 \$3,862,156 and the accumulated depreciation was \$1,226,830. The net effect of including the beginning balances for capital assets (net of depreciation) is to increase net position.	2,635,326
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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.	(36,324)
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Current year capital outlays of \$310,440 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 2024 capital outlays is to increase net position.	310,440
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The 2024 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(123,765)
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Removed from circulation and unreturned library books not reflected in fund financial statements.	<u>(190,629)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,703,031</u></u>
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Benbrook Library District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2024

	General Fund	Total Governmental Funds
REVENUES		
State aid - sales tax	\$ 2,106,276	\$ 2,106,276
Charges for service	44,745	44,745
Grant revenue	45,030	45,030
Capital Campaign Contributions	2,943	2,943
Fines and miscellaneous	834	834
Investment revenue	100,058	100,058
Other revenue - donations	82,014	82,014
Total revenues	<u>2,381,900</u>	<u>2,381,900</u>
EXPENDITURES		
Personnel:		
Payroll and related	1,465,404	1,465,404
Supplies:		
Cleaning supplies	1,549	1,549
Equipment accessories	666	666
Office supplies	24,903	24,903
Postage	2,199	2,199
Processing supplies	8,678	8,678
Programs supplies	39,614	39,614
Contractual:		
Automation Cost - ByWater	4,724	4,724
Courier	2,270	2,270
Cleaning service	26,218	26,218
Election cost	18,073	18,073
Equipment leasing	11,419	11,419
Lawn services	9,989	9,989
Liability and fire insurance	18,543	18,543
Memberships	9,582	9,582
Online services	72,789	72,789
Accounting fees	22,100	22,100
Legal fees	12,204	12,204
Payroll processing fees	10,867	10,867
IT consulting and contracting	41,160	41,160
Consulting services	38,568	38,568
Tax Recovery	68,921	68,921
Program presenter services	25,660	25,660
Reimburse board members	6,000	6,000
Building repair and maintenance	37,526	37,526
Equipment maintenance and repair	1,688	1,688
Storage rental	960	960

See accompanying notes to financial statements.

Benbrook Library District
Statement of Revenues, Expenditures and Changes in Fund Balance - Continued
Governmental Funds
Year Ended September 30, 2024

	General Fund	Total Governmental Funds
Meals	16,250	16,250
Mileage reimbursement	6,694	6,694
Travel	43,505	43,505
Dumpster and waste	2,260	2,260
Gas and electric	18,380	18,380
Telephone	14,246	14,246
Water	3,450	3,450
Other	513	513
Capital Campaign Expenditures:		
Capital Campaign	165	165
Capital Expenditures:		
Audio/visual equipment	5,574	5,574
eBooks	79,710	79,710
Building and landscaping	18,022	18,022
Building Renovation	232,763	232,763
Equipment	63,494	63,494
Marketing	7,842	7,842
Library of things	308	308
Periodicals	4,206	4,206
Shelving and furniture	22,157	22,157
Vehicles	4,830	4,830
Library books	55,781	55,781
	<u>2,582,424</u>	<u>2,582,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(200,524)</u>	<u>(200,524)</u>
OTHER FINANCING SOURCES (USES):		
None	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(200,524)</u>	<u>(200,524)</u>
Fund balances at beginning of year	<u>2,308,507</u>	<u>2,308,507</u>
Fund balances at end of year	<u><u>\$ 2,107,983</u></u>	<u><u>\$ 2,107,983</u></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, 2024

NET CHANGE IN FUND BALANCE-GOVERNMENTAL FUNDS \$ (200,524)

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

Current year capital outlays of \$325,456 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 2023 capital outlays is to increase net position. 310,440

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. (123,765)

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. (7,604)

Removed from circulation and unreturned library books not reflected in the fund financial statements. (190,629)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (212,082)

Benbrook Library District

Notes to the Financial Statements

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*)

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

Government-wide (continued)

During the year ended September 30, 2024, 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*)

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 - 40 years
Equipment	5 - 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, 2024, the District had no long-term debt obligations.

Benbrook Library District

Notes to the Financial Statements (*Continued*)

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, 2024, was \$4,703,031.

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, 2024, 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, 2024, the District had \$446,848 in assigned fund balance for future construction.

Benbrook Library District

Notes to the Financial Statements (*Continued*)

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, 2024, the District had \$1,661,135 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, 2024.

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, 2024, the District received \$45,030 in grant proceeds.

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, 2024, the District experienced no such loss.

Benbrook Library District

Notes to the Financial Statements (*Continued*)

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 02, 2025, the date the accompanying financial statements were available for issuance. The District is not aware of any material subsequent events.

Leases

The District has adopted the provisions of GASB Statement No. 87, Leases (GASB 87). 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. For the fiscal year ended September 30, 2024, the District had no such leases.

3. Budgetary Legal Compliance

For FY 2024, the General Fund was over-expended in the following functions:

			Over
Fuction	Final Budget	Actual	Expenditure
Supplies	72,700	77,609	4,909
Contractual	532,733	544,559	11,826
Capital Campign Expenditures:	-	165	165
Capital Expenitures:	386,219	494,687	108,468

The total General Fund budget was over-expended by \$104,613 or 4.2% of the final budget. The General fund received \$161,241 more in revenue than the final budgeted amount. Thus, the net effect is a favorable \$56,628. All expenditures were approved by the Board.

Benbrook Library District
Notes to the Financial Statements (Continued)

4. Cash and Cash Equivalents

At September 30, 2024, the carrying value of the District’s deposit was \$453,451, excluding \$1,406,593 of investment considered as cash equivalents, and the bank balance was \$477,987. The District’s cash deposits at September 30, 2024, 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	\$ 453,451
Investments considered as cash equivalents	<u>1,406,593</u>
Total cash and cash equivalents	<u>\$ 1,860,044</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, 2024, 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, 2024, 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, 2024, 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, 2024, 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.

Benbrook Library District

Notes to the Financial Statements (*Continued*)

4. Cash and Cash Equivalents (*Continued*)

The District's investments at September 30, 2024, are shown below:

Investment Type	Carrying Amount	Fair Value
TexPool	\$ 1,406,593	\$ 1,406,593

5. Disaggregation of Receivables and Payables

Receivables at September 30, 2024, were as follows:

	Other Governments	Other	Total Receivables
Governmental Activities:			
General Fund	\$ 338,517	\$ -	\$ 338,517
Total	\$ 338,517	\$ -	\$ 338,517

Payables at September 30, 2024, were \$93,698 in vendor payables and 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, 2024.

Benbrook Library District

Notes to the Financial Statements (Continued)

7. Capital Assets

Capital asset activity for the year ended September 30, 2024, 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	229,807	-	-	229,807
Capital assets, depreciated				
Buildings and grounds	2,183,711	212,009	-	2,395,720
Equipment	498,799	42,651	-	541,450
Vehicles	52,868	-	-	52,868
Library books	896,971	55,780	(190,629)	762,122
Total capital assets, depreciated	3,632,349	310,440	(190,629)	3,752,160
Less accumulated depreciation:				
Buildings and grounds	(872,517)	(68,762)	-	(941,279)
Equipment	(342,858)	(44,430)	-	(387,288)
Vehicles	(11,455)	(10,573)	-	(22,028)
Library books	-	-	-	-
Total accumulated depreciation	(1,226,830)	(123,765)	-	(1,350,595)
Total capital assets, depreciated, net	2,405,519	186,675	(190,629)	2,401,565
Total capital assets, net	\$ 2,635,326	\$ 186,675	\$ (190,629)	\$ 2,631,372

Depreciation expense as of September 30, 2024 was charged to governmental functions as follows:

Library Services	\$ 121,290
Administration	2,475
Total Depreciation Expense	<u>\$ 123,765</u>

8. Capital Campaign

During FY 2022, the District began receiving contributions and incurring expenditures for a future capital campaign project. The purpose of the campaign will be 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 process is in its infancy and is expected to encompass several years before completion. As of September 30, 2024, the District had received \$20,700 in contributions towards the future capital campaign, had spent \$57,470 in engineering and architectural fees, and had expenditures relating to the future capital campaign totaling \$4,670.

Benbrook Library District

Notes to the Financial Statements (*Continued*)

9. Long-term Debt

At September 30, 2024, 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	\$ 2,106,276
Charges for service	44,745
Grant revenue	45,030
Capital Campaign Contributions	2,943
Fines and miscellaneous	834
Investment revenue	100,058
Other revenue - donations	82,014
	<hr/>
Total Revenues	<u><u>\$ 2,381,900</u></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, 2024, the estimated value of accumulated unused vacation days is \$36,324.

12. Health Care

During the year ended September 30, 2024, 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
Budgetary Comparison Schedule – General Fund
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Sales and use tax revenue	\$ 2,155,159	\$ 2,155,159	\$ 2,106,276	\$ (48,883)
Charges for service			44,745	44,745
Grant revenue	40,000	40,000	45,030	5,030
Capital Campaign Contributions			2,943	2,943
Fines and miscellaneous	13,000	13,000	834	(12,166)
Investment revenue			100,058	100,058
Other revenue - donations	12,500	12,500	82,014	69,514
Total revenues	2,220,659	2,220,659	2,381,900	161,241
EXPENDITURES				
Personnel:				
Payroll and related	1,557,159	1,486,159	1,465,404	20,755
Total Personnel	1,557,159	1,486,159	1,465,404	20,755
Supplies:				
Cleaning supplies	2,500	2,500	1,549	951
Equipment accessories	2,500	2,500	666	1,834
Office supplies	20,000	20,000	24,903	(4,903)
Postage	3,200	3,200	2,199	1,001
Processing supplies	5,000	5,000	8,678	(3,678)
Programs supplies	18,500	39,500	39,614	(114)
Total Supplies	51,700	72,700	77,609	(4,909)
Contractual:				
Automation Cost - ByWater	3,740	4,315	4,724	(409)
Courier	2,500	2,500	2,270	230
Cleaning service	28,140	26,290	26,218	72
Election cost	5,000	19,000	18,073	927
Equipment leasing	12,000	9,658	11,419	(1,761)
Lawn services	10,000	10,000	9,989	11
Liability and fire insurance	18,000	18,000	18,543	(543)
Memberships	5,000	8,000	9,582	(1,582)
MetroPac fine payments	300	300	-	300
Online services	68,000	73,000	72,789	211
Accounting fees	20,725	20,725	22,100	(1,375)
Legal fees	10,000	7,985	12,204	(4,219)
Payroll processing fees	11,500	11,500	10,867	633
IT consulting and contracting	20,435	45,000	41,160	3,840
Consulting services	5,000	37,000	38,568	(1,568)
Tax Recovery	-	60,000	68,921	(8,921)
Transcription services	350	350	-	350
Program presenter services	28,000	28,000	25,660	2,340

See independent auditor's report

Benbrook Library District
Budgetary Comparison Schedule – General Fund - Continued
Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Final Budget Favorable (Unfavorable)
	Original	Final		
Publicity and public relations	1,000	1,000	-	1,000
Reimburse board members	2,800	6,000	6,000	-
Building repair and maintenance	40,000	40,000	37,526	2,474
Equipment maintenance and repair	5,000	5,000	1,688	3,312
Storage rental	-	480	960	(480)
Van gas and maintenance	5,680	5,680	-	5,680
Meals	12,000	16,000	16,250	(250)
Mileage reimbursement	4,000	4,000	6,694	(2,694)
Travel	20,000	34,000	43,505	(9,505)
Internet	1,200	1,200	-	1,200
Dumpster and waste	1,750	1,750	2,260	(510)
Gas and electric	20,500	20,500	18,380	2,120
Telephone	10,500	10,500	14,246	(3,746)
Water	5,000	5,000	3,450	1,550
Other	-	-	513	(513)
Contingency costs	5,000	-	-	-
Total Contractual	383,120	532,733	544,559	(11,826)
Capital Campaign Expenditures:				
Capital Campaign	-	-	165	(165)
Total Capital Campaign Expenditures	-	-	165	(165)
Capital Expenditures:				
Audio/visual equipment	11,500	6,500	5,574	926
eBooks	70,000	79,000	79,710	(710)
Building and landscaping	10,000	17,000	18,022	(1,022)
Building Renovation	-	121,589	232,763	(111,174)
Equipment	40,000	65,650	63,494	2,156
Marketing	15,000	8,000	7,842	158
Library of things	2,500	2,500	308	2,192
Periodicals	4,500	4,500	4,206	294
Shelving and furniture	10,000	24,000	22,157	1,843
Vehicles	7,000	5,480	4,830	650
Library books	52,000	52,000	55,781	(3,781)
Total Capital Expenditures	222,500	386,219	494,687	(108,468)
Total Expenditures	2,214,479	2,477,811	2,582,424	(104,613)
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,180	(257,152)	(200,524)	56,628
Fund balances at beginning of year	2,308,818	2,308,818	2,308,818	
Fund balances at end of year	\$ 2,314,998	\$ 2,051,666	\$ 2,108,294	

See independent auditor's report