

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Financial Services

**AGENDA DATE:** April 23, 2013

**CONTACT PERSON/PHONE:** Carmen Arrieta-Candelaria, CPA - CFO, Financial Services (915) 541-4011  
Mark Sutter, Ph.D. - Comptroller, Financial Services (915) 541-4014

**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

Presentation and discussion on a report by BKD, L.L.P. ("BKD") on the independent audit of the City of El Paso ("City") Comprehensive Annual Financial Report (CAFR) for fiscal year ending August 31, 2012. Report will include the audit opinion regarding City financial statements and a brief overview of financial results for the City for the fiscal year ended August 31, 2012.

**BACKGROUND / DISCUSSION:**

BKD is an independent accounting firm of Certified Public Accountants that is contracted by City Council to audit the financial statements of the City. Included in the services provided by the CPA firm is an opinion on the financial statements and supplementary information included in the Comprehensive Annual Financial Report that is compiled by City management and staff in the Financial Services Department.

The 2012 CAFR is available for review on the City's Financial Services Department website at:

[http://www.elpasotexas.gov/financial\\_services/reports\\_home.asp](http://www.elpasotexas.gov/financial_services/reports_home.asp)

**PRIOR COUNCIL ACTION:**

On July 1, 2008, City Council approved BKD as the City's external auditor for the fiscal year ended August 31, 2008 with four one-year extensions upon the approval of City Council. On May 19, 2009, May 11, 2010, May 24, 2011, and again on June 12, 2012 City Council approved one-year options to BKD for audit services for fiscal years 2009, 2010, 2011 and 2012 respectively.

**AMOUNT AND SOURCE OF FUNDING:**

Various funding sources include general fund, community development, airport, bridges, solid waste and transit. Cost for the independent audit services for the fiscal year ended 2012 was \$335,420, in accordance with the contract.

**BOARD / COMMISSION ACTION:**

N/A.

\*\*\*\*\* AUTHORIZATION \*\*\*\*\*

**DEPARTMENT HEAD:**

 4/16/13

CITY CLERK DEPT.  
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# City of El Paso, Texas

Comprehensive Annual Financial Report (CAFR)  
For Fiscal Year Ended August 31, 2012  
City Council Presentation

*Presented by: David Coleman, Senior Manager*



# City of El Paso, Texas

## Achievements and Responsibilities

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- For the 14<sup>th</sup> consecutive year awarded the Government Finance Officers Association's Certificate of Achievement (GFOA) for Excellence in Financial Reporting and expected to receive in current year.
- Received a clean unqualified opinion on the financial statements for the year ended August 31, 2012.
- Responsible for information presented – City staff prepares CAFR and its contents.

# City of El Paso, Texas

## Required Communication with those Charges with Governance

- Performed audit in accordance with auditing standards generally accepted in the United States of America
- Significant accounting policies are described in Note 1 of the audited financial statements
- Management Judgments and Significant Accounting Estimates
  - ❖ Net pension assets/liabilities
  - ❖ Other post-employment benefit obligation
  - ❖ Depreciation
  - ❖ Property taxes receivable

# City of El Paso, Texas

## Required Communication with those Charges with Governance

- Management Judgments and Significant Accounting Estimates (continued)
  - ❖ Landfill closure/post-closure obligation
  - ❖ Fair market value of investments
  - ❖ Compensated absences
  - ❖ Allowance for uncollectable receivables
  - ❖ Litigation loss contingencies
- No significant journal entries proposed
- No material weaknesses or significant deficiencies in internal control over financial reporting

# City of El Paso, Texas

## Reporting Entity

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- Audited by BKD
  - ❖ City of El Paso
  - ❖ City Employees' Pension Fund
- Audited by Other Accountants'
  - ❖ El Paso Water Utilities
  - ❖ El Paso Housing Finance Corporation
  - ❖ El Paso Firemen and Policemen's Pension Fund

# City of El Paso, Texas

## Key CAFR Components

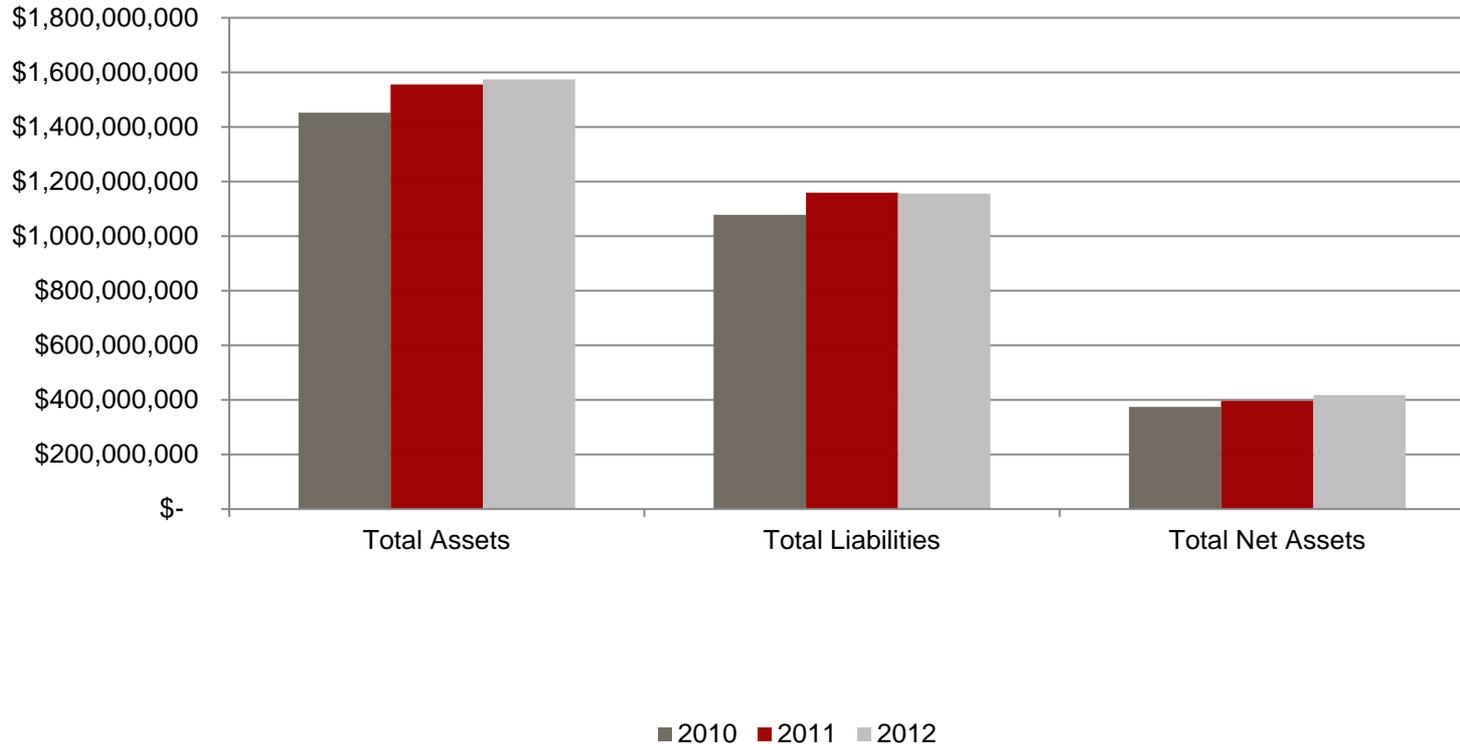
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- ❖ Introductory Section
- ❖ Prime Opinion
- ❖ Management Discussion and Analysis
- ❖ Basic Financial Statements and Footnote Disclosures
- ❖ Supplementary Information
- ❖ Statistical Section

# City of El Paso, Texas

## Government-Wide Statement of Net Assets Highlights

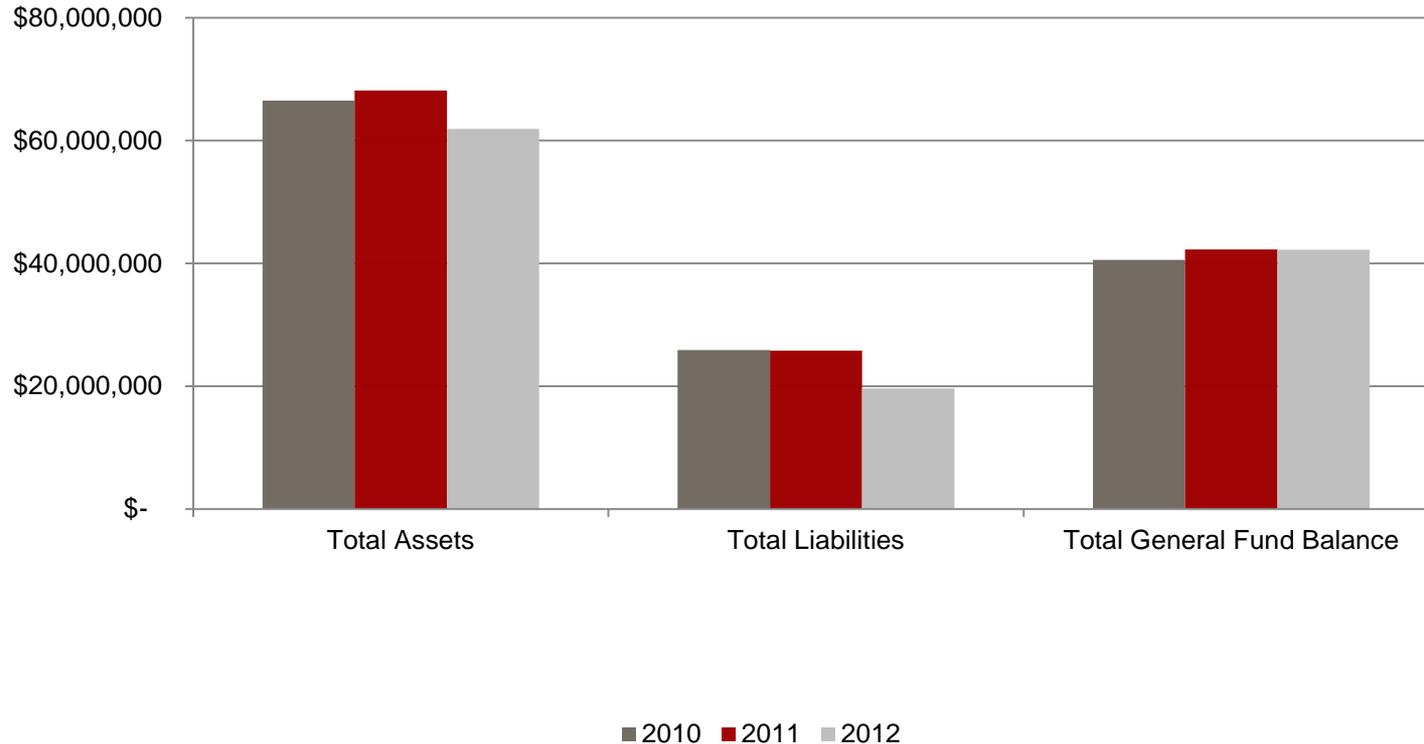
### Statement of Net Assets Highlights



# City of El Paso, Texas

## General Fund, Balance Sheet Highlights

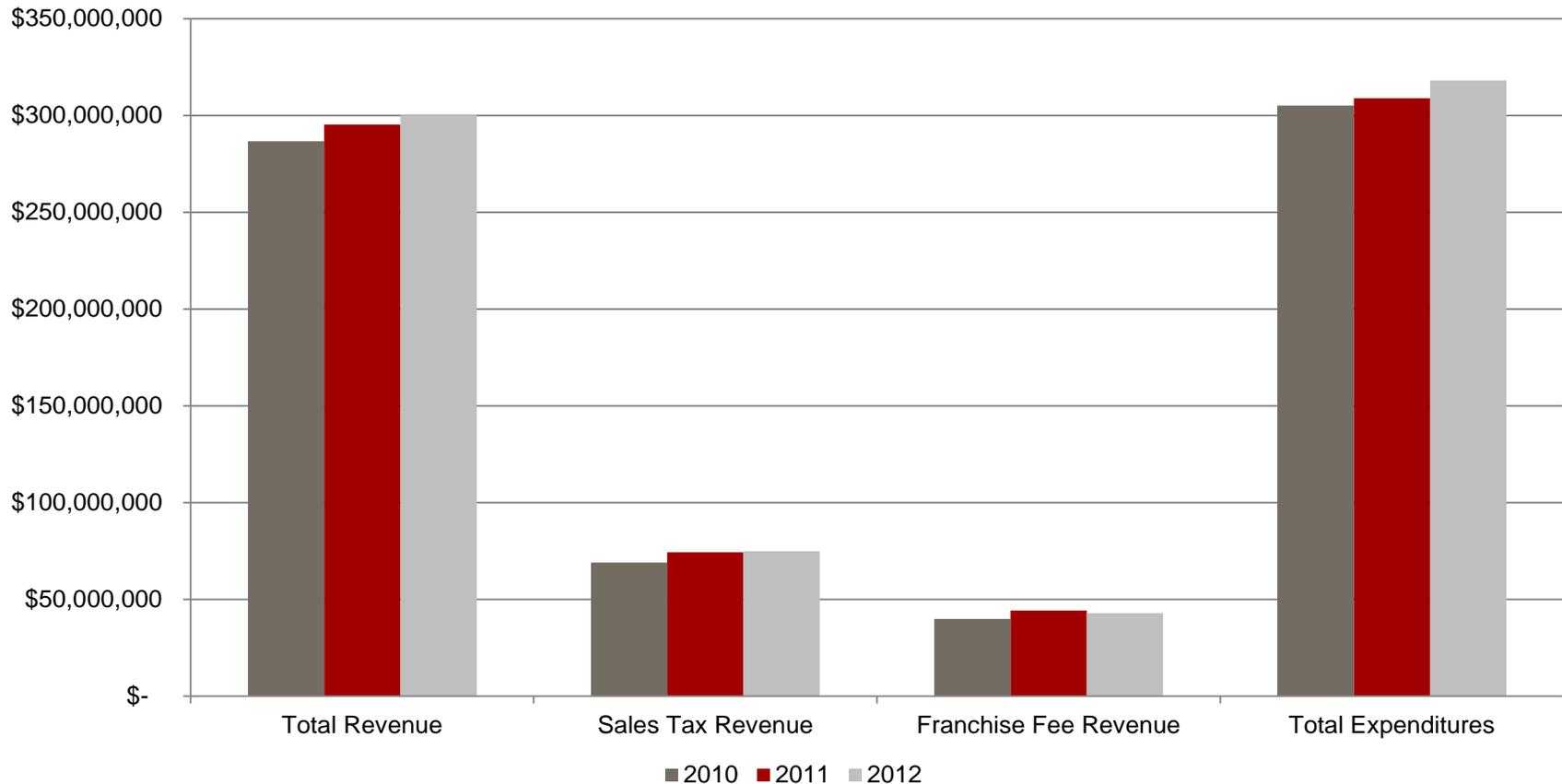
### Balance Sheet Highlights



# City of El Paso, Texas

## General Fund Statement of Revenue, Expenditures and Changes in Fund Balance Highlights

General Fund Statement of Revenue, Expenditures and Charges



# City of El Paso, Texas

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- Questions?
- Thank You