



**City of Sugar Land
Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2024**



Background & Introduction

- **Policy requirements**

- Local Government Code 103 requires a municipality having its records and accounts audited annually by a certified public accountant; and the financial statement including the auditor's opinion shall be filed in the office of the municipal secretary
- City of Sugar Land Financial Policy is in-compliance with the Local Government Code

- **Prior Actions**

- In June 2024, City Council approved the engagement with Weaver and Tidwell, L.L.P. for providing audit services for the fiscal year 2024
- On February 6th, 2025, the auditor briefed the Finance/Audit Committee on the fiscal year 2024 audit

- **Audit Result**

- Weaver and Tidwell, L.L.P has issued an unmodified opinion on the City's financial statement for the fiscal year ended September 30, 2024



City of Sugar Land, Texas Financial Statement Audit

Fiscal Year 2024 Audit Results



Agenda

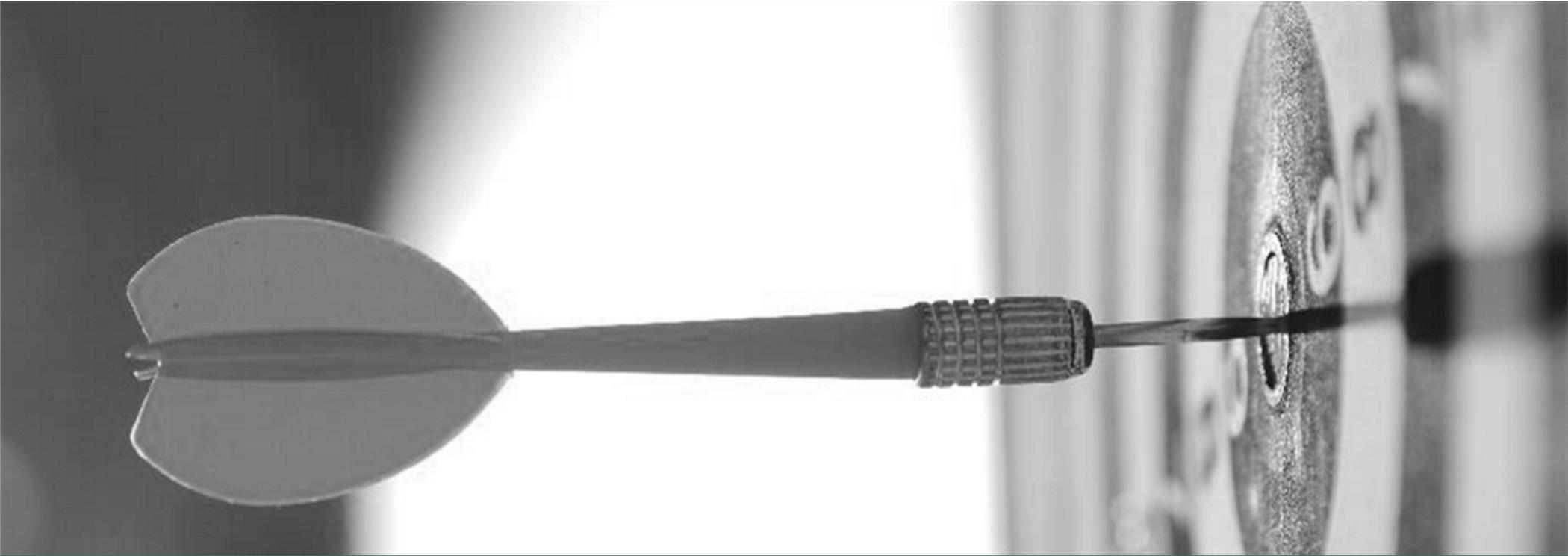


- **Part 1: Audit Overview**

- Audit standards, approach, results, and reports issued

- **Part 2: Financial Review**

- Fiscal year 2024 results and comparative information; expectations for fiscal year 2025



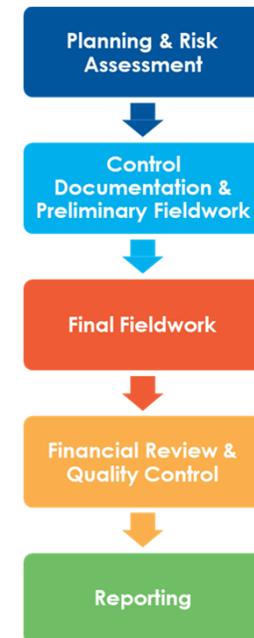
Audit Overview



Audit Process



- **Audit Standards** — Performed the audit in accordance with *Generally Accepted Auditing Standards (GAAS)* and *Generally Accepted Government Auditing Standards (GAGAS)*, as well as the audit standards of 2 CFR 200 (Uniform Guidance); *Single Audit*
- **Risk-based** approach
- **Focus on internal controls** and **compliance** requirements relevant to the financial statements and federal awards
- **Substantive testing** to obtain sufficient audit evidence
- **Auditor's reports** - opinion on financial statements and federal award compliance; reporting on internal controls and other compliance matters



Audit Results



1) Opinions on the financial statements and federal awards

Unmodified “clean” opinions

2) Internal controls

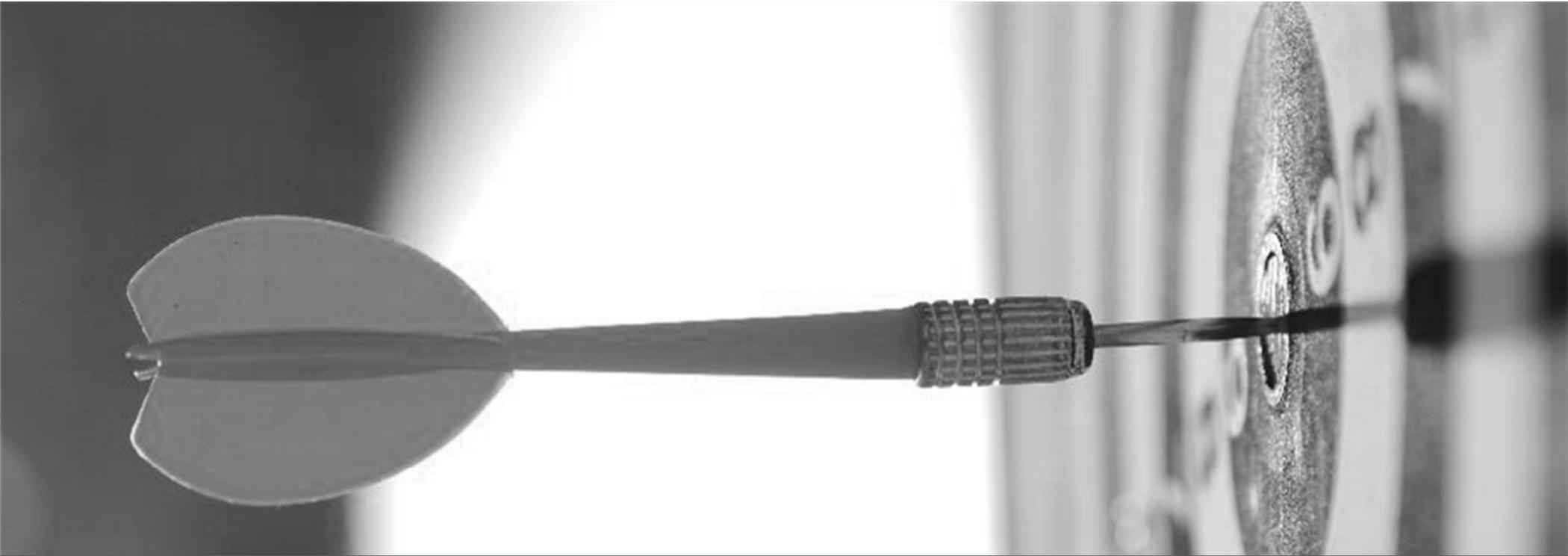
No material weaknesses or significant deficiencies in internal controls

3) Compliance

Major federal program: American Rescue Plan Act (ARPA)

No instances of noncompliance material to the financial statements or to major federal programs





Financial Review



Statement of Net Position

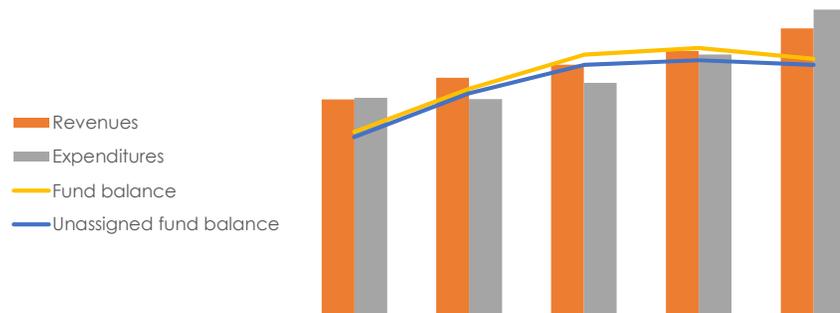


<i>In thousands:</i>	Fiscal Year		Change
	2024	2023	
Cash, cash equivalents and investments	\$ 426,503	\$ 370,110	
Capital assets, net	1,018,443	978,038	
Other assets and deferred outflows of resources	86,947	99,858	
Total assets and deferred outflows of resources	1,531,893	1,448,006	6%
Bonds payable, net of premium/discount	552,717	550,580	
Pension and other postemployment benefits	43,916	55,271	
Other liabilities and deferred inflows of resources	115,673	74,319	
Total liabilities and deferred inflows of resources	712,306	680,170	5%
Net position	\$ 819,587	\$ 767,836	7%

- The City's "Balance Sheet"
- Consolidated presentation of all individual funds
 - Full-accrual presentation – includes long-term assets and liabilities

General Fund – Five Year Trends

In thousands:	Fiscal Year				
	2020	2021	2022	2023	2024
Revenues	\$ 93,425	\$ 102,815	\$ 108,429	\$ 114,408	\$ 124,294
Expenditures	94,120	93,537	100,630	112,947	132,374
Fund balance - total	\$ 39,667	\$ 48,960	\$ 56,387	\$ 57,837	\$ 55,454
Fund balance - unassigned	38,516	48,054	54,189	55,191	54,167
Unassigned as a % of expenditures	41%	51%	54%	49%	41%



- **Revenues:**
 - Property taxes and sales taxes +\$6m
- **Expenditures:**
 - Compensation and benefits +13%
 - Increased FTEs, CPI and merit increases
- **Unassigned fund balance:**
 - 41% of FY2024 actual expenditures
 - 40% of FY2025 budgeted expenditures
- **Change in fund balance:**
 - FY2024 actual (GAAP): \$(2.4) million
 - FY2024 budget: \$(6.5) million

Fiscal Year 2025 - Expectations



- American Rescue Plan Act (ARPA) – major federal program
- State grant expenditures may be within scope of compliance audit
- New accounting standard - GASB Statement No. 101:
Compensated Absences

Thank you!





Questions?

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