



# City of San Antonio

## Legislation Details (With Text)

<b>File #:</b>	15-4451		
<b>Type:</b>	Staff Briefing - Without Ordinance	<b>In control:</b>	Early Childhood Education Municipal Development Corporation Board of Directors
<b>On agenda:</b>	10/9/2015		
<b>Title:</b>	Briefing and Board discussion of the fiscal year 2015 financial audit and related reports [Santos Fraga, Jr. CPA, Partner, Marc Sewell, CPA, Partner, Michelle Hyde, CPA, Audit Manager, Padgett, Stratemann & Co., L.L.P., Alfredo Martinez, DFA]		
<b>Sponsors:</b>			
<b>Indexes:</b>	Pre-K 4 SA		
<b>Code sections:</b>			
<b>Attachments:</b>	1. Pre-K 4 SA FY 2015 Fund Schedule, 2. FY 2015 Financial Report PowerPoint, 3. 2015 Pre-K 4 SA Audit Results PowerPoint, 4. 2015 Pre-K 4 SA Report on Conduct of Audit and Management Letter Comments, 5. 2015 Pre-K 4 SA Annual Financial Report Draft		

Date	Ver.	Action By	Action	Result
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**DEPARTMENT:** Pre-K 4 SA

**DEPARTMENT HEAD:** Kathy Bruck, CEO

**COUNCIL DISTRICTS IMPACTED:** Citywide

### SUBJECT:

Presentation of the fiscal year 2015 financial audit and related reports.

### SUMMARY:

Briefing and Board discussion of the results of the Pre-K 4 SA financial audit engagement by Padgett Stratemann & co., L.L.P for the 2015 fiscal year beginning on July 1, 2014 and ending June 30, 2015. [Santos Fraga, Jr. CPA, Partner, Marc Sewell, CPA, Partner, Michelle Hyde, CPA, Audit Manager, Padgett, Stratemann & Co., L.L.P., Alfredo Martinez, DFA, Pre-K 4 SA]

### BACKGROUND INFORMATION:

The Corporation is required to engage an independent certified public accounting (CPA) firm to conduct an annual audit of the Corporation's financial records and accounts. As a result, various reports and opinions are

prepared in order to communicate the financial position of the Corporation. A brief description of each of the reports produced during the annual audit is provided below.

On an annual basis, the Corporation publishes an Annual Financial Report which reports the Corporation's financial position, result of operation and the liquidity of its funds. The Annual Financial Report is presented as part of the City of San Antonio Comprehensive Annual Financial Report (CAFR) and is available to the general public.

The Corporation also publishes the Financial and Compliance Reports on Federal Grants "Single Audit Report." Because the Corporation receives financial assistance in the form of a federal grant, Single Audit Reports are required in order to comply with the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133. The Single Audit Report is submitted to the Corporation's federal and state agencies from which the Corporation received grant funding during the fiscal year.

The letter on Internal Control (Management Letter) is a formal communication by Padgett, Stratemann & CO. to the Board of Directors and management that focuses on internal control matters discovered during the course of the audit of the Corporation's financial statements.

Pre-K 4 SA will also provide the Board with a briefing of the audited financial results for FY 2015 with comparison to the mid-year budget estimate.

On April 28, 2014, the Board adopted an FY 2015 operating budget of \$36,496,103.00 which was subsequently approved by City Council on May 15, 2014. On January 22, 2015, the Board approved a mid-year budget estimate of \$35,954,361.00. This presentation will measure actual results against the mid-year budget estimate.

#### **ISSUE:**

This item includes a presentation of the Annual Financial Report, Single Audit and Management Letter to the Board by Padgett Stratemann & CO. followed by a staff briefing and Board discussion regarding the financial results for FY 2015.

#### **ALTERNATIVES:**

This item includes a briefing only.

#### **FISCAL IMPACT:**

This item includes a briefing only.

#### **RECOMMENDATION:**

This item includes a briefing only.