



# City of San Antonio

## Agenda Memorandum

**File Number:**20-2453

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**Agenda Item Number:** 10.

**Agenda Date:** 3/17/2020

**In Control:** Audit and Accountability Committee

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**CITY OF SAN ANTONIO  
FINANCE DEPARTMENT  
INTERDEPARTMENTAL MEMO**

**TO:** Erik Walsh, City Manager

**FROM:** Troy Elliott, CPA, Deputy Chief Financial Officer, Finance Department

**COPIES:** Audit & Accountability Committee; Ben Gorzell, Chief Financial Officer

**SUBJECT:** Results of the Fiscal Year 2019 External Financial Audit and Presentation of Related Reports

**DATE:** March 17, 2020

Grant Thornton LLP completed the external financial audit of the City's financial records for fiscal year 2019 on February 20, 2020. An item has been placed on the March 17th agenda to present and discuss the results of the fiscal year 2019 external financial audit and related audit reports to members of the Audit Committee.

The City is required to engage an independent certified public accounting (CPA) firm to conduct an annual audit of the City's financial records and accounts. As a result, various reports and opinions are prepared in order to communicate the financial position of the City. A brief description of each of the reports produced during the annual audit is provided below.

On an annual basis, the City publishes a Comprehensive Annual Financial Report (CAFR). The CAFR reports the City's financial position, results of operations, and the liquidity of its various funds. The CAFR is submitted to rating agencies, document repositories, bondholders, and is also available to the general public. A digital copy of the CAFR is available for viewing at <https://www.sanantonio.gov/Finance/bfi/cafr>.

Finance Department staff also prepares the Financial and Compliance Reports on Federal and State Grants, "Single Audit Reports". Because the City receives financial assistance in the form of federal and state grants, Single Audit Reports are required in order to comply with the Single Audit Act Amendments of 1996, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State of Texas Single Audit Circular. The Single Audit Reports are submitted to the City's respective federal and state cognizant audit agencies and the respective federal and state agencies from which the City received grant funding during the fiscal year.

An annual audit of the Passenger Facility Charges collected and used by the City's Aviation Department is also required by the Federal Aviation Administration. The audit results are summarized in a report entitled, "Schedule of Expenditures of Passenger Facility Charges."

Additionally, the City is required by the Texas Commission on Environmental Quality to have an Agreed Upon Procedures performed annually to satisfy the City's financial assurance requirement guaranteeing the post closure costs related to Nelson

Gardens.

Furthermore, if there are findings related to the audit, Grant Thornton LLP is required to submit a Letter on Internal Control (Management Letter) as a formal communication to City Council and City Management that focuses on internal control matters discovered during the course of the audit of the City's financial statements. The 2019 audit had no findings therefore a management letter was not submitted this year.

If you should have any questions or require additional information, please feel free to contact me at 207-8604.