**DRAFT - MINUTES**
**OF THE NEW BRAUNFELS FINANCE AND AUDIT COMMITTEE**
**REGULAR MEETING OF MONDAY, MARCH 16, 2026**

## 2. ROLL CALL

**City Council Present: Neal Linnartz (Mayor), Lawrence Spradley (Mayor Pro Tem), Toni Carter (Councilmember)**

**City Staff Present: Jared Werner (Assistant City Manager), Sandy Paulos (Director of Finance), Becky Wiatrek (Assistant Director of Finance), Carren Ridge (Accounting & Treasury Manager), Karrie Cook (Budget Manager), Christopher Greenwell (Grants Coordinator), Rebecca Dishman (Administrative Assistant), Lisa Cole (Accounting Supervisor), Tasha McGee (Budget Analyst)**

**Online: Jeff Jenson (Crowe LLP), Cory Lee (Crowe LLP)**

**Mayor Linnartz declared a quorum.**

## 3. APPROVAL OF MINUTES

A) Approval of 01.26.2026 Meeting Minutes

**Mayor Pro Tem Spradley moved to approve the January 26, 2026 minutes with the amendment of adding City Council members present. Councilmember Carter seconded the motion.**

## 4. CITIZENS' COMMUNICATIONS

*This time is for citizens to address the Finance and Audit Committee on issues and items of concerns not on this agenda. There will be no action at this time.*

**No one spoke at this time.**

## 5. INDIVIDUAL ITEMS FOR CONSIDERATION

A) Presentation and discussion regarding the FY 2025 Annual Comprehensive Financial Report

**Sandy Paulos, Director of Finance, started off by explaining to Council the packet of documents they were given. Jeff Jenson (Crowe LLP) introduced himself and explained his role as Engagement Partner. Cory Lee (Crowe LLP) introduced herself as Audit Senior Manager. Jeff then presented the September 30, 2025 audit results, starting with the Auditor's Responsibilities, Scope, and the Audit Process itself**

**going through the different phases of the audit and explaining their risk-based approach. The City received an "unmodified opinion" which means that the City's financials are presented fairly and free from material misstatements. Crowe LLP consulted with specialists regarding pension and OPEB for supplemental death benefits. The single audit report looked at major programs such as Coronavirus and highway planning and construction. The independent auditors report on compliance noted no federal findings. Cory Lee presented financial highlights for both the City-wide financial statements and the General Fund which resulted in an increase in net position. Cory noted one corrected misstatement related to year-end Accounts Payable accruals. Sandy Paulos explained that there were $6.4M in unrecorded liabilities that should have been recorded in FY 2025 but were recorded in FY 2026. This issue stemmed from Workday pulling the Purchase Order date versus Invoice date. This issue was discovered and corrected. Carren Ridge spoke about some new reports and corrective actions the team could take to prevent this from happening in the future. Sandy Paulos added that our last finding was in 2020 which was the COVID-19 year. Jared Werner stated that $5M of $6M were capital project related which are budgeted by project, not fiscal year. Cory Lee then went over the new Accounting Standards for 2025 – GASB (Governmental Accounting Standards Board) 101 related to Compensated Absences, and GASB 102, Certain Risk Disclosures.**

B) ARPA program update and possible direction to Staff on the additional allocation of City of New Braunfels ARPA funds to the Transit Fund

**Christopher Greenwell presented the ARPA program updated and stated that we would be seeking direction from Council on reallocating funds. There were originally $10.9M in funds, with $2.4M remaining. Nearly all Non-Profit grant funds have been spent down except for Comal Habitat for Humanity. On February 12, 2026, Habitat notified the City that they would not be able to meet the timeline to complete the ARPA-funded project costs and voluntarily withdrew from the program. These funds ($202,500) must be reallocated to an existing initiative, and staff have recommended that they be awarded to the Public Transportation and Pedestrian Mobility projects. That balance would most likely go to the Comal/Faust Project due to our ability to spend the funds quickly. Councilmember Carter asked what the Comal/Faust Project consisted of. Christopher Greenwell explained that the Comal Faust Project involved various improvements including restriping Mill & Overlay with base repair and traffic calming efforts. Councilmember Carter commented that the San Antonio St. project**

**was more important. Jared Werner stated that the Transportation and Construction Services department will continue to keep City Council updated. Mayor Pro Tem Spradley asked if all of the funding would be spent by December 31, Christopher Greenwell confirmed that it would. Jared Werner expressed that he was pleased only one agency could not spend their allocated funds. Mayor Pro Tem Spradley made a motion to move ahead with staff's recommendation to reallocate existing funds to the Public Transportation and Pedestrian Mobility projects. Councilmember Carter seconded the motion. Mayor Linnartz held a vote; the motion carried unanimously.**

## 6. EXECUTIVE SESSION

In accordance with the Texas Government Code, Section 551.071, the Board reserves the right to retire into executive session concerning the items listed on this agenda to consult with its attorney. In addition, the Board may convene in executive session on any of the following items, with any final action being taken in open session:

## 7. ADJOURNMENT

**The meeting was adjourned at 4:34 PM**