

## Legislation Text

**File #:** 21-409, **Version:** 1

Presenter/Contact

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**SUBJECT:**

Discuss and consider acceptance of the FY 2020 Audit and Comprehensive Annual Financial Report performed by Belt Harris Pechacek, LLLP.

**BACKGROUND / RATIONALE:**

Annually, the City is required to have an outside firm conduct an audit of the City’s financial records. This audit has been completed by Belt Harris Pechacek, LLLP. The results are included in the *City of New Braunfels, Texas Comprehensive Annual Financial Report for the Year Ended September 30, 2020*. The audit was completed with an unmodified opinion.

The comprehensive report includes information and schedules to enhance the information provided to the City Council and the citizens. For the last twelve years, the City submitted the audit document for review by the Government Finance Officers Association of the United States and Canada (GFOA) Excellence in Financial reporting Program. GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Braunfels for its Comprehensive Annual Financial Report for each of those twelve years, the first being the fiscal year ended September 30, 2008. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Staff will submit this year’s report to the GFOA program as well.

The outside auditors annually, in a letter to the City, provide their comments regarding the City’s financial policies and practices, citing areas for improvement. There was one finding included in this letter:

- It was recommended that the City should ensure that all accounts payable items are accrued at the end of the year. Any items that are incurred close to the end of the fiscal year that could possibly need to be accrued should be identified and a determination made regarding the need to accrue.

Staff has already implemented additional procedures and controls to ensure that all year end accruals are identified and posted to the appropriate fiscal year.

**ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:**

<b>X</b>	Yes	<b>City Plan/Council Priority:</b>	Strategic Priorities: Effective Management: Maintain fiscal stability of City operations
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**FISCAL IMPACT:**

None

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends acceptance of the FY 2020 Audit and Comprehensive Annual Financial Report.