

# **Results of the FY 2023 External Audit**



**Presented by: Melanie S. Keeton, CPA**

# External Audit Requirements



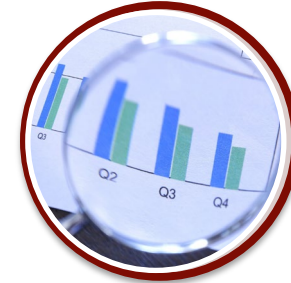
Required under the provisions of the City Charter



Provides a true & fair view of the financial position of the City



Required by State Statute



Ensures the City's records are properly maintained, free from material misstatement, and comply with established concepts, principles, and accounting standards



# External Audit Contract

- FORVIS was awarded the contract on 6/15/22
- The contract is a three-year term with two separate one-year extensions
- This presentation is to go over the results of the FY2023 external audit and discuss required communications between FORVIS and the Committee

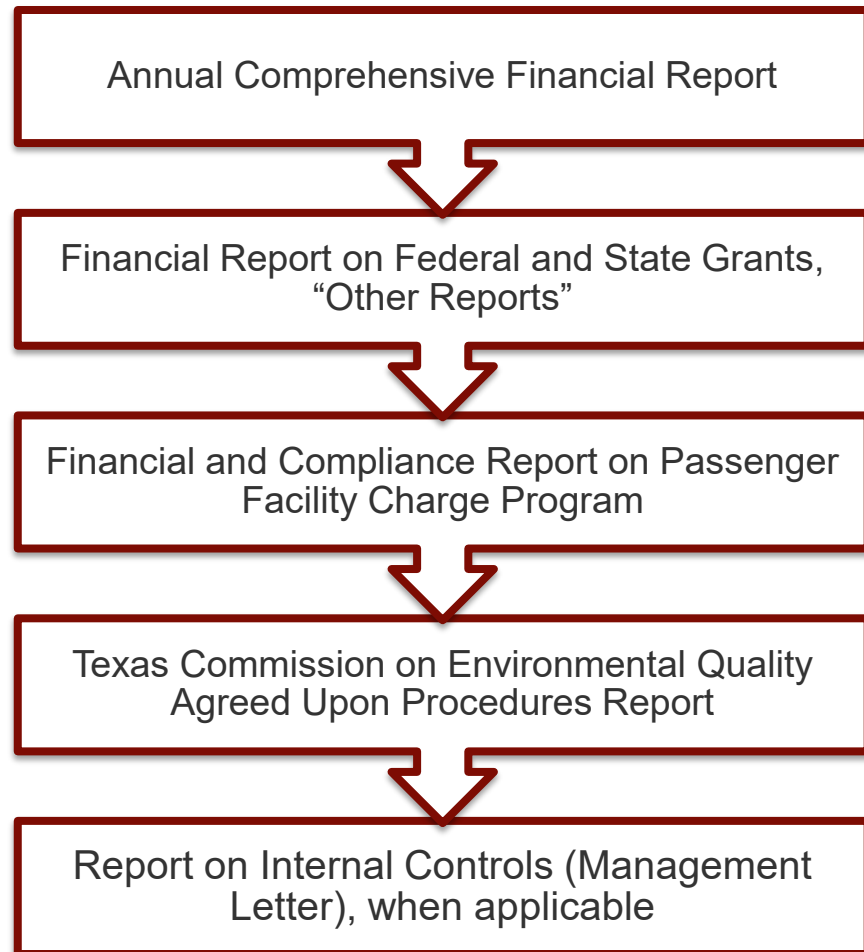


FISCAL YEAR-ENDED SEPTEMBER 30, 2023

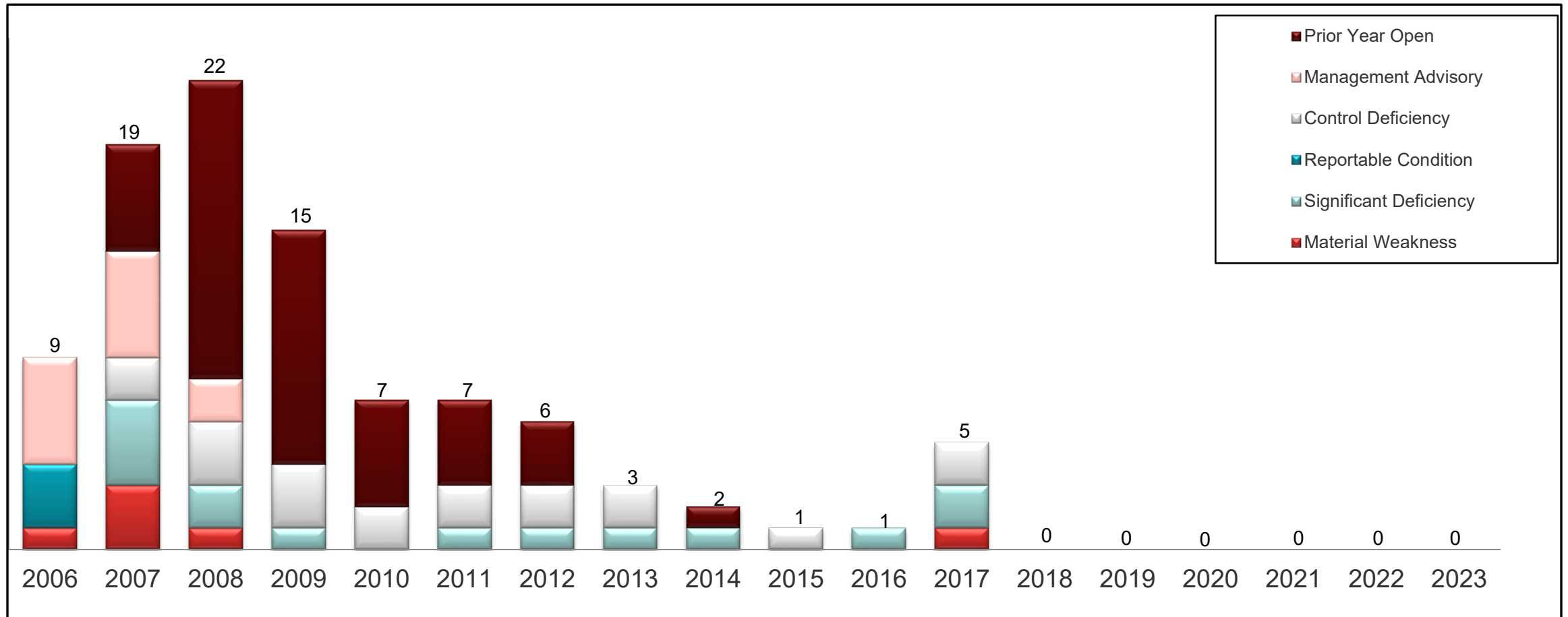
## ANNUAL COMPREHENSIVE FINANCIAL REPORT & OTHER REPORTS



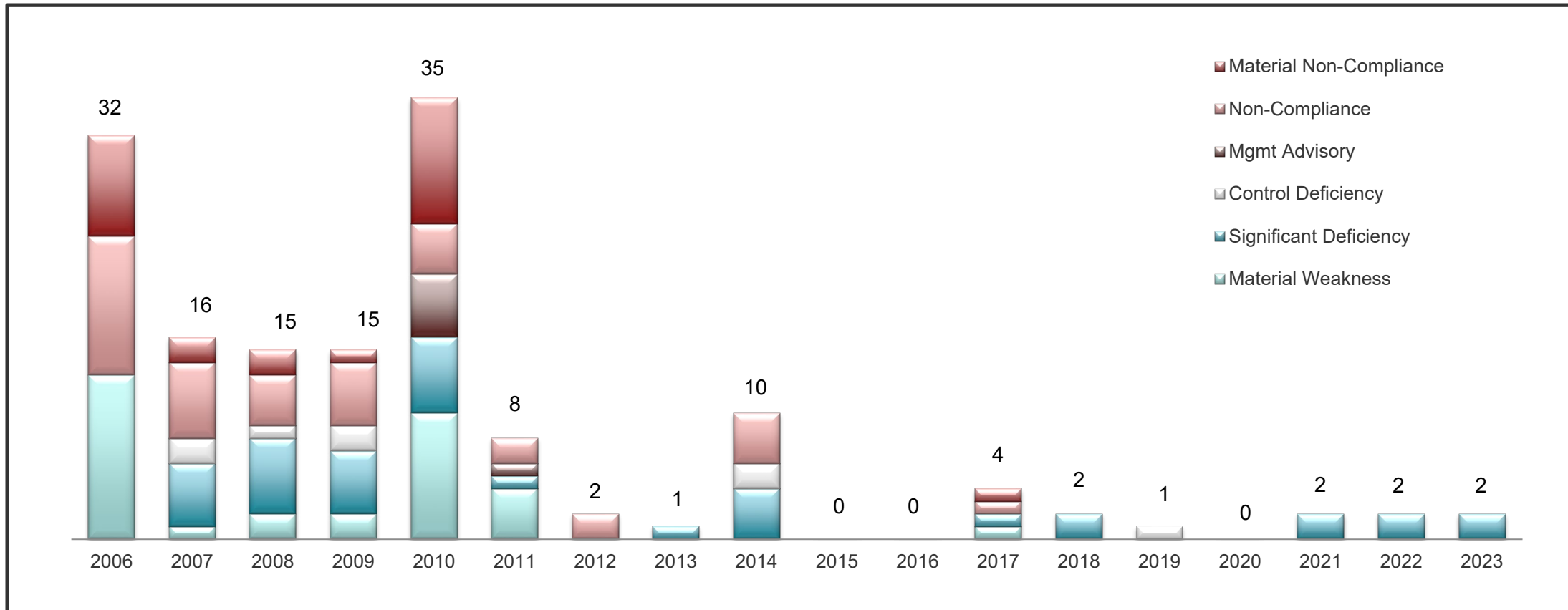
# Deliverables of the External Audit



# Internal Control Findings



# Single Audit Findings



# FY 2023 Wrap Up



- Special thanks goes out to the Controller's Division for their hard work in completing this audit. Specifically:
  - Victoria Roeder, Controller;
  - Elizabeth Drouillard & Kimberly Nunez, Financial Reporting Managers;
  - Jay Blackwell, General Ledger Manager





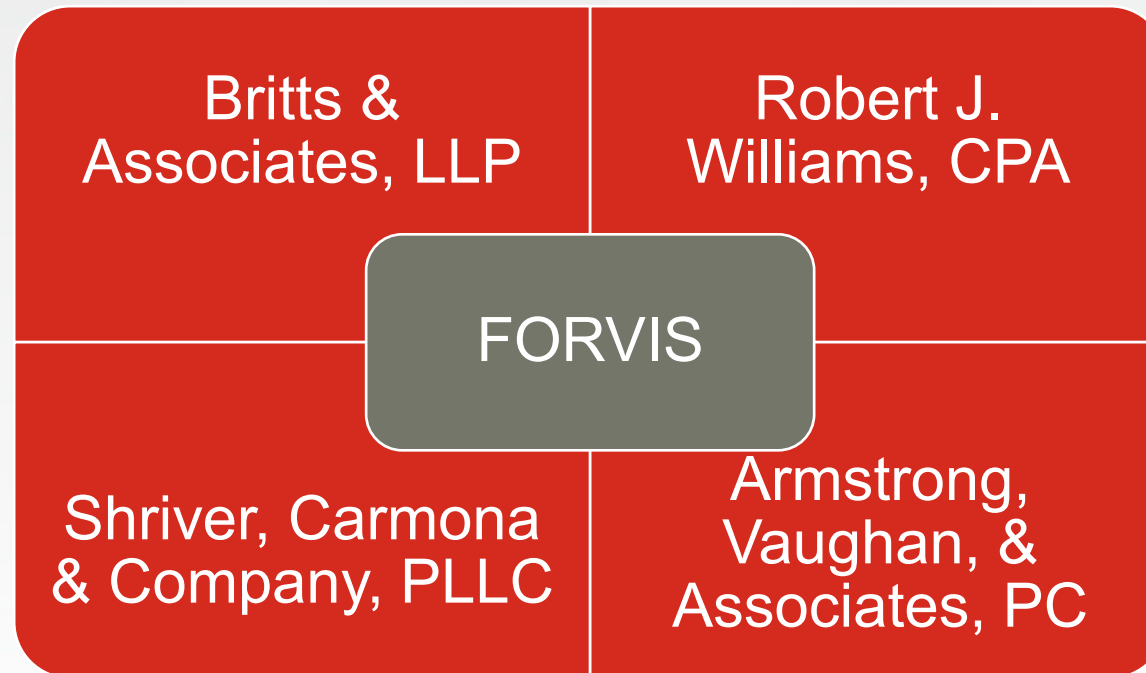
# FORVIS<sup>TM</sup>

## FY2023 Results Presentation to the Audit and Accountability Committee of the City of San Antonio, Texas



# Teaming Partners

- FORVIS utilized four teaming partners to complete the audit:



# Audit Summary

- **Timing of Our Engagement**

- Our audit procedures occurred primarily between June 2023 and March 2024.

- **Our Financial Statement Opinion**

- We have issued unmodified opinions as to whether the financial statements of the City of San Antonio, Texas as of and for the year ended September 30, 2023 are fairly presented, in all material respects.

- **Government Auditing Standards**

- We have also issued our report on internal control over financial reporting and on our tests of compliance in accordance with *Government Auditing Standards* (GAGAS).

- **Our Uniform Guidance and TxGMS Compliance Opinions**

- We have also issued an unmodified opinion, as to whether the City complied with the requirements of the U.S. Office of Management and Budget (OMB) Uniform Guidance and State of Texas Grant Management Standards (TxGMS) for each major federal and state award program, and our report on internal control over compliance.

# **Audit Deliverables**

**City of San  
Antonio Annual  
Comprehensive  
Financial Report**

**Single Audit under  
Uniform Guidance  
(UG)**

**Single Audit under  
State of Texas  
TxGMS**

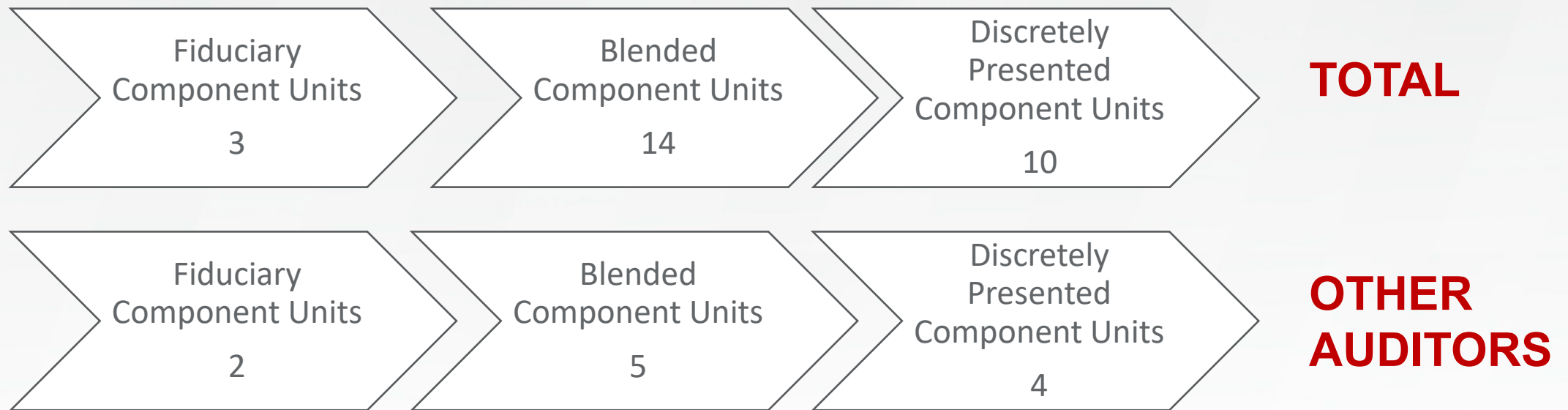
**Passenger Facility  
Charge Report**

**Texas Commission  
on Environmental  
Quality Agreed  
Upon Procedures  
Report**

**Municipal Aides  
Corporation (LGC)  
Financial  
Statements**

# Referred-To Auditors & Component Units Audited by Other Auditors

- There are certain component units that are audited by other auditors whose reports were furnished to us. A detail list of the component units is noted in the Appendix

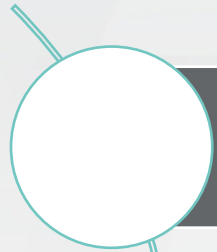




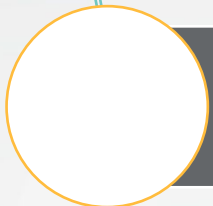
# Major Programs for Single Audit Testing – Federal

- ALN #14.239 – HOME Investment Partnerships Program
- ALN #20.205 – Highway Planning and Construction Program
- ALN #21.023 – COVID-19 Emergency Rental Assistance Program
- ALN #21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds
- ALN #97.036 – Disaster Grants - Public Assistance (Presidentially Declared Disasters)

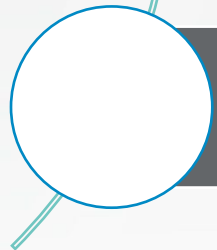
# Major Programs for Single Audit Testing – State



Sexually Transmitted Diseases (STD) Prevention and Control Grants



Texas Military Preparedness Commission: Defense Economic Adjustment Assistance Grant



Child Care Management Services

# Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's annual comprehensive financial report (ACFR). Management, or those charged with governance, is responsible for preparing the ACFR.

We were not engaged to audit the introductory, required supplementary information, and statistical sections contained in the ACFR, and as a result, our opinions do not provide assurance as to the completeness and accuracy of the information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

# Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Scope of our Audit  
and Inherent  
Limitations to  
*Reasonable  
Assurance*

Your and Our  
Responsibilities

Extent of our  
Communication and  
Distribution  
Restriction

Group Audits

Independence  
Matters



# Qualitative Aspects of Significant Account Policies and Practices

Significant  
Accounting Policies

Unusual Policies or  
Methods

Management  
Judgments and  
Accounting  
Estimates

Financial Statement  
Disclosures

Our Judgment  
about the Quality of  
the City's  
Accounting  
Principles

# Required Communications Regarding Internal Control (AU-C 265)

## Consideration of Internal Control Over Compliance

In planning and performing our audit of City of San Antonio, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major state award program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the TxGMS.

However, this consideration was **not** for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

# Identified Control and Compliance Deficiencies

We identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

## **State Program** – *Texas Military Preparedness Commission: Defense Economic Adjustment Assistance Grant*

- Compliance Requirement: Cash Management and Reporting

- Type of Finding: Significant Deficiency

The same individual preparing the required reports was the only individual reviewing the reports submitted to the State. There was no secondary review of reports and expenses prior to submission.

- Compliance Requirement: Subrecipient Monitoring

- Type of Finding: Significant Deficiency and Other Noncompliance

For payments to subrecipients, two requests for reimbursement identified were not paid within 30 days after the invoice was received by the City.

# Appendix

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**FORV/S**

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.



# Component Units

## **Discretely Presented Component Units (10):**

- Port Authority of San Antonio d/b/a Port San Antonio
- *Included in the City's ACFR, not audited by FORVIS:*
  - CPS Energy
  - SA Energy Acquisition Public Facility Corporation
  - SA Bexar County Soccer PFC
  - San Antonio Water System
- *Not included in the City's ACFR:\**
  - Brooks Development Authority
  - San Antonio Housing Trust Finance Corporation
  - San Antonio Housing Trust Foundation, Inc.
  - San Antonio Housing Trust PFC
  - San Antonio Housing Trust Reinvestment Corporation

## **Fiduciary Component Units (3):**

- City of San Antonio Retiree Health Care Fund
- *Included in the City's ACFR, not audited by FORVIS:*
  - San Antonio Fire and Police Pension Fund
  - Retiree Health & Wellness San Antonio Fire and Police Fund

\* The CU is considered insignificant; therefore, its financial data is not disclosed in the City's financial statements.

## **Blended Component Units (14):**

- City of San Antonio, Texas Municipal Council Aides Corporation (LGC)
- Hemisfair Park Area Redevelopment Corporation
- San Antonio Early Childhood Education Municipal Development Corporation d/b/a Pre-K 4 SA
- San Antonio Education Facilities Corporation
- San Antonio Health Facilities Development Corporation
- San Antonio Industrial Development Authority
- San Antonio Texas Municipal Facilities Corporation
- Starbright Industrial Development Corporation
- Texas Public Facilities Corporation
- *Included in the City's ACFR, not audited by FORVIS*
  - Municipal Golf Association – San Antonio d/b/a Alamo City Golf Trail
  - Prosper West San Antonio
  - San Antonio Economic Development Corporation
  - Urban Renewal Agency of the City of San Antonio d/b/a Office of Urban Redevelopment of San Antonio
  - Visit San Antonio

# Accounting & Auditing Matters – Pronouncements Effective for FY2024-2025

GASB Statement No. 99, *Omnibus 2022* (FY2023 & FY2024)

GASB Statement No. 100, *Accounting Changes and Error Corrections—*  
an amendment of GASB Statement No. 62 (FY2024)

GASB Statement No. 101, *Compensated Absences* (FY2025)

GASB Statement No. 102, *Certain Risk Disclosures* (FY2025)

# Questions?

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# Thank You!

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The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by FORVIS or the author(s) as to any individual situation as situations are fact specific. The reader should perform its own analysis and form its own conclusions regarding any specific situation. Further, the author(s) conclusions may be revised without notice with or without changes in industry information and legal authorities. FORVIS has been registered in the U.S. Patent and Trademark Office, which registration is pending.

**FORVIS**

Assurance / Tax / Advisory