



# City of Pflugerville

## Legislation Text

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**File #:** RES-0503, **Version:** 1

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Approving a resolution accepting the fiscal year 2017 audit.

The City of Pflugerville charter requires that an independent audit be conducted at the end of each fiscal year. On July 25, 2017, the City Council selected Davis, Kinard & CO, PC to perform the audit for fiscal year 2017. On December 4, 2017, Davis, Kinard & CO, PC merged with the firm Eide Bailly, LLP, Certified Public Accountants. Eide Bailly is the 20th largest firm in the nation and this merger will be their first location in Texas.

Ms. Diane Terrell, CPA, a partner of the firm of Eide Bailly, met with the Finance and Budget Committee on March 8, 2018 to present and review the results of the audit. The unqualified audit opinion states that the City's financial statements "present fairly, in all material respects, the respective financial position...of the City of Pflugerville, Texas as of September 30, 2017." This indicates a clean audit.

In a separate letter to the City Council and Finance and Budget Committee, the auditor stated there were no disagreements with management on accounting issues and no difficulties in performing the audit. The auditor further reported that there were no significant issues noted and no significant audit adjustments recorded. The auditor did not propose any material audit Adjusting Journal Entries (AJEs) as a result of the audit procedures. The auditor's report on internal control and compliance noted no material weaknesses. Ms. Terrell expressed her team's appreciation in working with the City staff and recognized the staff efforts to prepare for the audit.

The Finance and Budget Committee unanimously recommended acceptance of the City's fiscal year 2017 audit report as presented at its March 8, 2018, meeting. Since that meeting, the relevant financial information of the City's component unit, Pflugerville Community Development Corporation (PCDC) has been incorporated into the draft comprehensive annual financial report. These statements will be finalized and published upon approval of the City Council at this meeting and the PCDC Board at its March 29th meeting. The internal control memo and draft comprehensive annual financial report are attached to this agenda item.

The attached resolution has been approved as to form by the City Attorney's Office.

### **Deadline for City Council Action**

The audit must be accepted at the March 27, 2018, City Council meeting in order to comply with Securities and Exchange Commission (SEC) reporting requirements. This approval also allows staff to apply for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award for the comprehensive annual financial report (CAFR) in a timely manner. The City of Pflugerville has received the GFOA certificate of achievement for the CAFR the last thirteen consecutive years.

### **Fiscal Impact**

There is no fiscal impact as a result of this action.

**Staff Recommendation**

Approve the resolution.

**Drafter**

Lauri Gillam

Assistant City Manager