



Financial Statement Audit Results



January 23, 2025

Discussion Topics

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- ❑ Scope of Audit
- ❑ Management Responsibilities
- ❑ Auditor Responsibilities
- ❑ Results of Audit

Scope of Engagement

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- ❑ Annual financial audit of the City
- ❑ Single Audit of Federal financial assistance
- ❑ Agreed-upon procedures applied to Gann limit

Management Responsibilities

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- ❑ Preparation and fair presentation of financial statements, including notes
- ❑ Prepared in accordance with generally accepted accounting principles
- ❑ Design, implement and maintain a system of internal control
- ❑ Financial statements free from material misstatement, whether due to fraud or error
- ❑ Evaluation of going concern

Auditor Responsibilities

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- ❑ Express opinion on financial statements
- ❑ Conduct audit in accordance with generally accepted auditing standards and *Government Auditing Standards*
- ❑ Plan and perform audit to obtain reasonable, not absolute assurance, that financial statements are free from material misstatement, whether due to fraud or error

Auditor Responsibilities

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- ❑ Exercise professional judgment and maintain professional skepticism
- ❑ Identify and assess risks of material misstatement
- ❑ Obtain an understanding of internal control
- ❑ Evaluate appropriateness of accounting policies and estimates made by management
- ❑ Evaluate going concern

Results of Audit

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- ❑ Initial communication to Finance Committee at 5/30/24 meeting
- ❑ Timing
 - ❑ Interim – July 2024
 - ❑ Final – October 2024 through December 2024
- ❑ Unmodified (“clean”) opinion issued

Results of Audit

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- ❑ Financial results at government-wide level:
 - ❑ Assets and deferred outflows increased \$83 million
 - ❑ Liabilities and deferred inflows increased \$18 million
 - ❑ Net position increased \$66 million
 - ❑ Revenues increased \$65 million
 - ❑ Expenses increased \$61 million

Results of Audit

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- ❑ Significant Risks
 - ❑ Large increase in capital assets
 - ❑ OPEB trust transferred from CERBT to PARS
 - ❑ Compliance with federal grant requirements
- ❑ Estimates in preparing statements
 - ❑ Useful lives of assets, pension liability, OPEB liability and claims payable
 - ❑ All found to be reasonable and have a sound basis

Results of Audit

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- ❑ No significant unusual transactions
- ❑ One immaterial audit adjustment
 - ❑ Unbilled receivables
- ❑ No uncorrected misstatements
- ❑ No difficulties or disagreements with management

Results of Audit

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- ❑ One housekeeping item
 - ❑ Update needed to Administrative Procedures over Purchasing Cards
- ❑ Management provided representations to us at the end of the audit
- ❑ No consultations with other accountants
- ❑ We remain available as a resource throughout the year



Questions



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