

**ITEM NO. 6A**  
**FINANCIAL STATEMENT AUDITOR'S**  
**COMMUNICATION WITH THE FINANCE COMMITTEE**  
**ACTING AS THE CITY'S AUDIT COMMITTEE**  
  
**PRESENTATION**



# Initial Audit Communication



May 8, 2025

# Scope of Audit

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- ❑ Annual financial audit of City
- ❑ Agreed-upon procedures applied to Gann  
Limitation Worksheets
- ❑ Single Audit
- ❑ Not a fraud audit
  - ❑ Do conduct fraud inquiries

# Our Responsibilities

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- ❑ Communications with Audit Committee
- ❑ Conduct audit in accordance with GAAS and GAGAS
- ❑ Form an opinion on the financial statements

# Planned Scope and Timing

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- ❑ Interim will be scheduled for June/July 2025
  - ❑ Risk assessment
  - ❑ Internal controls
  - ❑ Gann limit
- ❑ Final will be scheduled for October 2025
  - ❑ Substantive tests of balances
- ❑ Single Audit scheduled for January 2026

# New Accounting Standard

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- ❑ GASB 101, *Compensated Absences*
  - ❑ Include payroll-related liabilities associated with compensated absences
  - ❑ Includes a more likely than not component for accrual

# Final Communication

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- ❑ Presentation of Results – January 2026
  - ❑ Violation of laws or regulations
  - ❑ Our views of accounting practices including policies, estimates and disclosures
  - ❑ Significant difficulties
  - ❑ Disagreements with management
  - ❑ Significant unusual transactions
  - ❑ Potential effects of uncorrected misstatements
  - ❑ Other matters



# Questions



May 8, 2025