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City of Santa Fe

Audit Exit Presentation for June 30, 2018

Agenda

- Required Governance Communication
- 2018 Audit Results
- Review of Schedule of Findings and Questioned Costs



Required Governing Body Communications

- Auditor's responsibility under U.S. Generally Accepted Auditing Standards
- Significant accounting policies – GASB 75
- No significant financial statement disclosures
- Audit adjustments
 - Total amount of journal entries recorded from the multiple versions of the trial balance was approximately \$169,708,318
 - Some the result of audit inquiries from testwork
- No passed audit adjustments



Required Governing Body Communications (continued)

- Management judgments and accounting estimates
 - Allowance for uncollectible accounts receivable
 - Estimated useful lives of capital assets
 - Net pension liability and related deferred amounts
 - Self-insurance IBNR
 - Compensated absences



Required Governing Body Communications (continued)

- Difficulties encountered in performing the audit
 - Refer to findings
 - Material adjustments to trial balance
- No disagreements with management
- Management did not consult with other accountants on the application of GAAP or GAAS
- No major issues were discussed with management prior to engagement
- Management Representations



2018 Audit Results – Financial Statements

- Independent Auditors' Report –
 - Clean opinion
- Limited procedures were performed, and no opinion will be rendered on management's discussion and analysis, required supplementary information, and the Introductory and Statistical sections.
- Limited procedures were performed, and an "in-relation to" opinion on the additional information in the CAFR.



2018 Audit Results – Other Communications

- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
 - 2 material weaknesses
 - 2 significant deficiencies (1 Federal)
 - No material findings associated with compliance with laws and regulations or other matters
 - 6 compliance matter or findings that don't rise to the level of a significant deficiency



2018 Audit Results - Compliance

Federal Awards

- Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.
 - *Opinion on Compliance - Unmodified*
 - *Findings – See Schedule of Findings and Questioned Costs*



Prior Year Findings Resolved

2017-002 Controls and Reporting of Capital Assets (Material Weakness and Basis for Modified Opinion) – Resolved

2017-005 Cash Management (Significant Deficiency in Internal Controls and Other Matter) – Resolved

2017-006 Allowable Costs - General and Payroll Disbursements (Significant Deficiency in Internal Controls and Other Matter) – Resolved

2017-007 Late Submission of Audit Report (Compliance and Other Matters) - Resolved

2017-011 Untimely Completion of Lodger's Tax Audit (Compliance and Other Matters) – Resolved

2017-012 Lack of Adherence to City's Purchasing Manual (Compliance and Other Matters) – Resolved

2016-004 Lack of Documented Review of Payroll Timesheet (Compliance and Other Matters) - Resolved





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