

Presentation to City Council

Hampton,
Virginia

January 13, 2021

Your guide forward



Audit Overview

- ▶ Financial Audit
 - Test significant balances and transactions
 - Test underlying assumptions of significant estimates
 - Understand the internal control environment
- ▶ Compliance Audit
 - Test compliance with Virginia laws and regulations
 - Test compliance with federal grants
 - Understand and test the internal control environment
- ▶ CAFR includes unaudited sections
 - Introductory, Required Supplementary Information, Statistical
 - “In relation to” opinion on Other Supplementary Information

Audit Results

▶ Financial Audit

- Issued an unmodified (clean) opinion

▶ Compliance Audit

- Issued an unmodified (clean) opinions
- No material weaknesses
- Other matters - noncompliance
 - *Government Auditing Standards* – none reported
 - *Specifications for Audits of Counties, Cities and Towns* – one instance of non-material noncompliance reported
 - Conflicts of Interest Form - not filed
 - *Uniform Guidance* – one instance of non-material noncompliance reported
 - CDBG - proof of submission of the HUD-60002 report was not able to be produced

Required Audit Communications

- ▶ Accounting Standards and Policies
 - No changes in accounting policies
 - *GASB95 – Postponement of Effective Dates*
- ▶ Conduct of the Audit
 - No difficulties in conducting the audit
 - No disagreements with management
 - No corrected misstatements. One uncorrected misstatements
 - EDA Capital Assets – The City identified capital outlay expenditures from FY19 that should have been capitalized as part of the Boo Williams Sportsplex acquisition. Beginning net position and current year capital expenditures are both understated with no net effect on ending net position.
 - No consultation with other accountants
- ▶ Other Matters
 - We are independent of the City
 - Management representation letter



Questions & Comments

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