

Presentation to City Council

City of Hampton, Virginia

December 12, 2018

Your guide forward



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Engagement Services

Engagement Services

- ▶ You have engaged us to provide the following:
 - An audit of the City's FY 2018 financial statements
 - A compliance audit of the:
 - City's compliance with the Auditor of Public Accounts' (APA) *Specifications for Audits of Counties, Cities and Towns*
 - City's major federal programs' compliance with the Uniform Grant Guidance (Single Audit)

Planned timing
of the audit:

**Audit
fieldwork**

**October
8, 2018**

Financials

**December
6, 2018**

Continuous Communication

A grayscale photograph of several stacks of papers and folders. The stacks are arranged in a row, with the top stack being the most prominent. The papers are slightly fanned out, and the folders are visible behind them. The background is blurred, showing more stacks of papers. A semi-transparent dark gray horizontal bar is overlaid across the middle of the image, containing the text "Overall Audit Results".

Overall Audit Results

Service Deliverables

Audit Opinions:

- Our audit opinions are unmodified
- Emphasis of matter – implementation of new standard
- We noted no material weaknesses in internal control over financial reporting

Board Reporting:

- Nothing came to our attention where management did not comply with laws or regulations which noncompliance with could have a material effect on the financial statements, including the requirements of debt agreements
- One matter of noncompliance with Virginia requirements



Required Communications

Required Communications

Accounting Policies

- Change in accounting policies - the application of existing policies was not changed during 2018
- The City implemented GASB Standard No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*

Management Judgement and Accounting Estimates

- Allowance for doubtful accounts on taxes receivable
- Actuarially computed pension and OPEB liabilities
- Depreciation expense

Audit Adjustments and Uncorrected Misstatements

- There were no uncorrected misstatements or material audit adjustments during the audit

Required Communications

Disagreements with Management

- There were none noted during fieldwork

Difficulties Encountered in Performing the Audit

- We encountered no difficulties in performing the audit

Consultation with Other Accountants

- We are not aware of any

Required Communications

Material Client Communications

- Management representation letter was provided on December 6, 2018

Independence

- We are not aware of any relationship that we believe, based on current authoritative guidance, would impair our independence

Other Matters

- We applied limited procedures to the Management's Discussion and Analysis ("MD&A") and other Required Supplementary Information – no opinion
- We applied certain additional procedures to Other Supplementary Information – "in relation to" opinion

Your Guide Forward



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