

# Presentation to City Council

City of Hampton,  
Virginia

December 13, 2017

*Your guide forward*



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# Engagement Summary

# Engagement Summary

- ▶ You have engaged us to provide the following:
  - Audit of the financial statements as of and for the fiscal year ended June 30, 2017:
    - City
    - School Board
    - Economic Development Authority
  - Audit of the City's major federal programs as required by the Uniform Grant Guidance (Single Audit)
  - Audit of the City's compliance with the Auditor of Public Accounts' (APA) *Specifications for Audits of Counties, Cities and Towns* (Specifications)

A stack of papers is shown on the left side of the image, with several metal paper clips holding them together. The papers are slightly fanned out. On the right side, there is a blurred image of a document or folder. A semi-transparent dark grey banner is positioned horizontally across the middle of the image, containing the text "Service Deliverables" in a white, sans-serif font.


# Service Deliverables

# Service Deliverables

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## Audit Deliverables:

- ▶ As of and for the fiscal year ended June 30, 2017:
  - Opinion on the financial statements of the City and component units
  - Report on internal control over financial reporting and on compliance and other matters required by *Government Auditing Standards*
  - Report on compliance for each major federal program and internal control over compliance in accordance with the Uniform Guidance
  - Report on compliance with the APA's Specifications



# AUDIT



Overall Audit Results

Category	Value
Item 1	US\$0.29
Item 2	US\$0.47
Item 3	US\$0.69
Item 4	US\$0.98
Item 5	US\$0.47
Item 6	US\$1.33

# Overall Audit Results

- ▶ Our opinion on the financial statements - unmodified
- ▶ Report on internal control over financial reporting - unmodified
- ▶ Report on internal control over compliance - unmodified
- ▶ Internal control deficiencies over financial reporting and compliance:
  - ▶ One deficiency considered to be a material weakness detailed in the Schedule of Findings and Questioned Costs
  - ▶ One deficiency considered to be a significant deficiency detailed in the Schedule of Findings and Questioned Costs
- ▶ Compliance with grants, agreements, laws and regulations:
  - ▶ Two instances detailed in the Schedule of Findings and Questioned Costs





# Required Communications with Those Charged with Governance

# Required Communications

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## ▶ Accounting Policies

- Adoption of new accounting policies effective July 1, 2016
  - No significant accounting policies were adopted in the current year
- No other changes in accounting policies

# Required Communications (continued)

- ▶ Management Judgment and Accounting Estimates
  - Allowance for doubtful accounts and taxes receivable
  - Depreciation expense
  - Actuarially-computed liabilities
- ▶ Adjustments
  - No corrected or proposed uncorrected adjustments
- ▶ Disagreements with Management
  - There were no disagreements with management regarding accounting or auditing issues
- ▶ Difficulties Encountered in Performing the Audit
  - We encountered no difficulties in performing the audit

# Required Communications (continued)

- ▶ Consultation with Other Accountants
  - We are not aware of any
- ▶ Material Client Communications
  - Management representation letter
  - Management Letter
- ▶ Independence
  - We are not aware of any relationship that we believe, based on current authoritative guidance, would impair our independence



# Future Accounting and Reporting Changes

# Future Accounting and Reporting Changes

**GASB statements effective for FY 2018:**

*GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

- Requires governments to report a liability on the face of the financial statements for OPEB obligations

# Future Accounting and Reporting Changes

**GASB statements effective for FY 2021:**

## GASB Statement No. 87 – *Leases*

- Improves accounting and financial reporting for leases by governments

# Your Guide Forward



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