

Presentation to the City Council

City of Hampton,
Virginia

December 11, 2019



Your guide forward



Engagement Services

Financial Statement Audits

(in accordance with GAAP):

- City of Hampton, includes Hampton Public Schools

Compliance:

- *Governmental Auditing Standards*
- City and School's Major Federal Programs required by Title 2 U.S. *Code of Federal Regulations* Part 200
- Auditor of Public Accounts *Specifications for Audits of Cities, Counties and Towns*

Audit Services

▶ **Financial Statement Audits:**

- Test the significant balances and transactions in the financial statements
- Gain an understanding of internal controls to assist in the design of the audit

▶ **Compliance Audits:**

- Test compliance with laws, regulations and grant agreements
- Gain an understanding of internal controls and test key controls

Engagement Results

▶ Financial Statement Audit Opinions:

- Unmodified opinion issued November 29, 2019
- 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
- The City implemented GASB Standard No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*
- There were no uncorrected misstatements or material audit adjustments during the audit

▶ Compliance:

- ***Government Auditing Standards***
 - Unmodified opinion
 - No matters of noncompliance
 - No material weakness in internal controls

Engagement Results

- ▶ **Compliance** (continued)
 - **Uniform Grant Guidance**
 - Unmodified opinion
 - One matter of noncompliance
 - Child Nutrition Cluster (Annual Verification Process)
 - No material weakness in internal controls
 - **Specifications for Audits of Cities, Counties and Towns**
 - 2 matters of noncompliance:
 - Virginia Department of Social Services requirements:
 - » Alternate Local Service Officer
 - » Annual Review of System Access

Required Communications

▶ Accounting Policies

- Change in accounting policies - the application of existing policies was not changed during 2019
- The City implemented GASB Standard No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

▶ 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

▶ Disagreements with Management

- There were no disagreements with Management noted during fieldwork

Required Communications

▶ Difficulties Encountered in Performing Audit

- We encountered no difficulties in performing the audit

▶ Consultation with Other Accountants

- We are not aware of any

▶ Material Client Communications

- Management representation letter was provided on November 29, 2019

▶ 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

Questions?

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