

# City of Plano

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Finance Committee Meeting  
January 25, 2021





# Overview

- Introduction
- Audit Process
- Required Communications
- Results
- Questions



# Engagement Leadership



We know your questions don't end when the audit does, so the team leadership remains available to you throughout the year.

**Sara Dempsey, CPA**

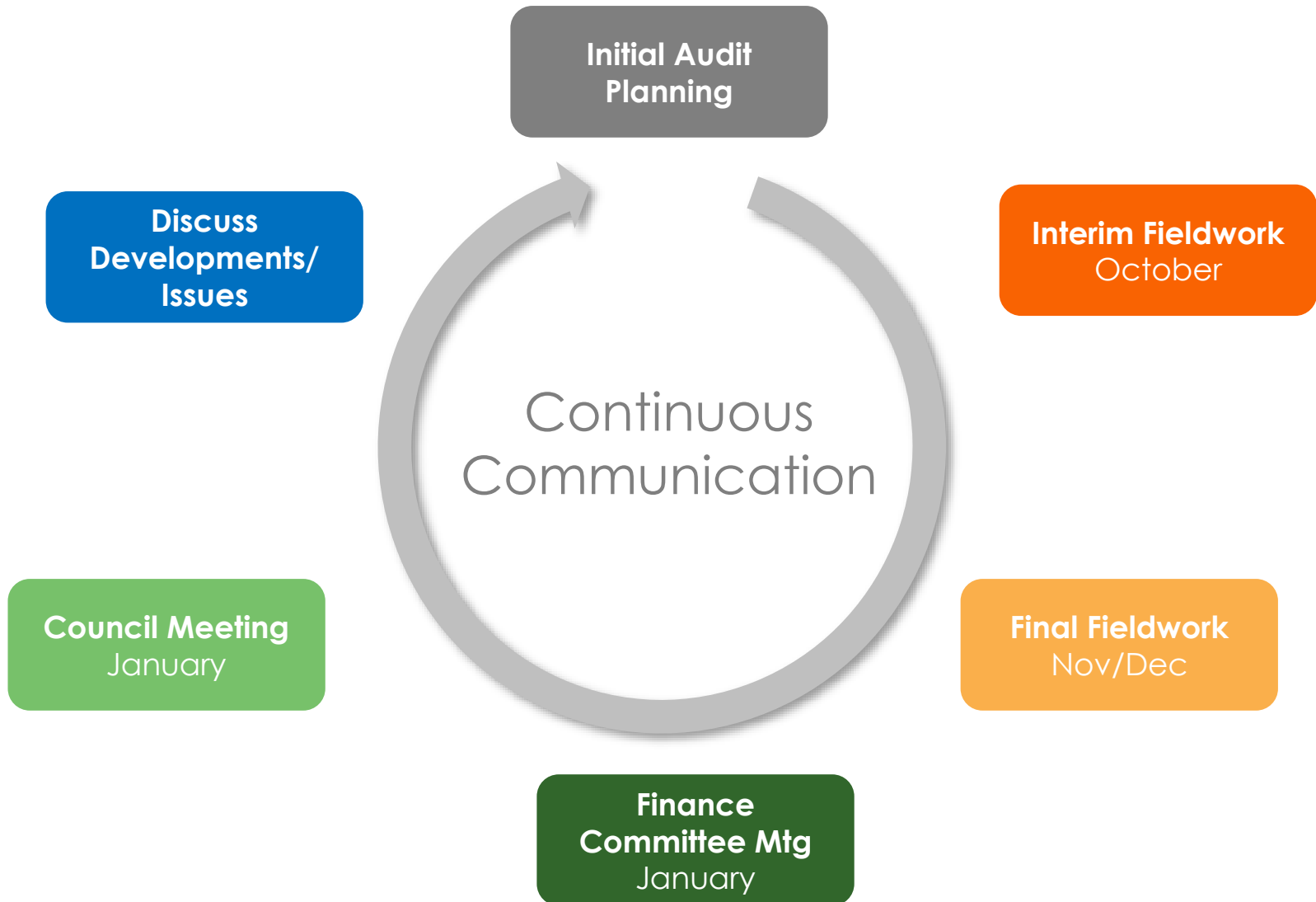
Partner, Assurance Services

**Claire Wootton, CPA**

Senior Manager, Assurance Services



# Engagement Timeline





# Audit Process

- The audit was performed in accordance with **Generally Accepted Auditing Standards (GAAS)**, **Generally Accepted Government Auditing Standards (GAGAS)** and **Uniform Guidance** (Single Audit)
- The audit process was a **risk-based approach** in which we identified potential areas of risk that could lead to material misstatement of the financial statements. We tailored our audit programs and resources to specifically address areas of risk, such as:
  - Revenue recognition and related receivables
  - Capital projects, purchasing and compliance with bidding procedures
  - Payables, accrued liabilities, and expenditures
  - Cash and Investments
  - Long-Term Debt
  - Control testing over purchases and payroll
  - Federal revenues and expenditures (Major programs were Treasury Equitable Sharing and Coronavirus Relief Fund (CARES Act)
  - IT Control Review





# Required Communications to Those in Charge of Governance

Communication	Results
<p>Auditor's responsibility under generally accepted auditing standards (GAAS)</p>	<p>The financial statements are the responsibility of the City. Our audit was designed in accordance with GAAS in the U.S. and provides for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>The audit of the fiscal year 2020 financial statements is complete and we have issued an unmodified opinion.</p>



# Required Communications to Those in Charge of Governance

Communication	Results
<p>Auditor's responsibility under Government Auditing Standards</p>	<p>In addition to the GAAS responsibilities, we are required to issue a written report on our consideration of internal controls and identify significant deficiencies, including material weaknesses, if any. Our reports do not provide assurance on internal controls. We design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct or material effect on the financial statements. We issue a written report on the results of these procedures; however, our report does not express an opinion on compliance.</p> <p>No findings noted.</p>



# Required Communications to Those in Charge of Governance

Communication	Results
<p>Auditor Responsibility under Uniform Guidance</p>	<p>Our testing includes all major federal financial assistance programs. We report on such testing, and disclose significant deficiencies in internal control over compliance, including material weaknesses we identify. Our report does not provide assurance on internal control over compliance. We perform procedures for the purpose of expressing an opinion on whether major federal financial assistance programs have been administered in compliance with applicable laws and regulations.</p> <p>The audit of the fiscal year 2020 major federal financial assistance programs (Treasury Equitable Sharing and Coronavirus Relief Fund (CARES Act)) is complete and we issued an unmodified opinion.</p>



# Required Communications to Those in Charge of Governance

## Communication

Unusual transactions and the adoption of new accounting principles

## Results

The significant accounting policies used by the City are described in Note 1 to the financial statements.

The only new GASB pronouncement implemented in 2020 was GASB Statement No. 95. The implementation of GASB Statement No. 95 extended the effective date of upcoming statements for some by 12 months and another by 18 months. Primary objective of this statement was to provide temporary relief to governments in light of the COVID-19 pandemic.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.



# Required Communications to Those in Charge of Governance

Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management representations	We requested certain representation from management that was included in the management representation letter dated January 5, 2021.
Auditor independence	No independence issues noted.
Other information contained in documents containing audited financial statements	We performed limited procedures on the Management's Discussion and Analysis (MD&A) and Required Supplementary Information (RSI). We did not provide any assurance on this information.
Management judgments and accounting estimates	Management's estimates of allowances for uncollectible receivables; estimated useful lives of capital assets; fair value; and pension, OPEB, and IBNR liabilities were evaluated and determined to be reasonable in relation to the financial statements as a whole.



# Required Communications to Those in Charge of Governance

Communication	Results
Audit adjustments and Passed adjustments	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no passed adjustment noted during the audit.</p> <p>We had no audit adjustments during the course of fieldwork.</p>
Other material written communications between Weaver and Tidwell, L.L.P., and the City	Nothing to note



# Auditor Results

- We issued the Independent Auditor's Report on the financial statements
  - ✓ Unmodified Opinion
- We issued the Independent Auditor's 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
  - ✓ No findings noted
- We issued the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance
  - ✓ Unmodified Opinion
  - ✓ No findings noted



# Discussion

## Contact Us

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