

SUMMARY OF AUDIT RESULTS

SOUTH PLACER MUNICIPAL UTILITY DISTRICT

YEAR ENDED JUNE 30, 2023



ERICA PASTOR, CPA



AUDITOR & MANAGEMENT RESPONSIBILITIES

- **Management is responsible** for the preparation and presentation of the financial statements.
- Purpose of an audit is to provide financial statement users with an **independent opinion** on whether the financial statements are presented fairly, in all material respects, and in accordance with applicable accounting standards (GAAP).

AUDIT PROCESS

- Fieldwork – September 2023
 - Planning – risk assessment, review of Board minutes, management inquiry
 - Documentation and testing of internal controls
 - Cash Receipts
 - Disbursements
 - Payroll
 - Journal entries, bank reconciliations, financial reporting

AUDIT PROCESS

- Testing of Year-End Balances and Activity
 - Confirmation of balances
 - Cut-off testing – receivables and payables
 - Detail tests of transactions
 - Analytical review
- Preparation of Financial Statements and footnotes

AUDIT REPORTING

- Reporting Results of the Audit
 - Audit Opinion- Independent Auditor's Report
 - *Government Auditing Standards* Report
 - Communication with Those Charged with Governance
 - Management Letter

AUDIT RESULTS – FINANCIAL STATEMENTS

- Annual Comprehensive Financial Report – Financial Section
- **Independent Auditor’s Report**
 - 2023-**Unmodified** (“Clean”) Audit Opinion
 - No material misstatements
- Management’s Discussion and Analysis
- Financial Statements
- Notes to the Financial Statements and Required Supplementary Information
- Statistical Information

AUDIT RESULTS – GOVERNMENT AUDITING STANDARDS

- *Government Auditing Standards Report*
 - Material weaknesses – none noted
 - Significant deficiencies – none noted
 - Compliance exceptions – none noted

AUDIT RESULTS – CONCLUSION LETTER

- Communication with Those Charged with Governance
 - **Accounting Policies**
 - No new accounting policies or pronouncements that impacted the District's financial statements.
 - **Significant Changes in Disclosures**
 - None
 - **Accounting Estimates**
 - Depreciation
 - Pension and OPEB liabilities
 - **Difficulties Encountered in Performing the Audit**
 - None

AUDIT RESULTS – CONCLUSION LETTER

- Communication with Those Charged with Governance (continued)
 - **Disagreements with Management**
 - None
 - **Audit adjustments (3)**
 - Recording of net pension liability
 - Recording of net OPEB liability
 - True-up of unapplied credits to revenue (PPA)
 - Passed adjustment (1)
 - Reconciliation of accounts payable

AUDIT RESULTS – MANAGEMENT LETTER

- Management letter - Recommendations for improvement
 - Revenue – unapplied credits reconciliation

SUMMARY OF AUDIT RESULTS

- Reporting Results of the Audit
 - **Audit Opinion- Independent Auditor's Report**
 - Unmodified ("Clean") opinion
 - **Government Auditing Standards Report**
 - No material weaknesses, significant deficiencies, compliance exceptions
 - **Communication with Those Charged with Governance**
 - No major issues, disagreements, no changes to disclosures; 3 audit adjustments
 - **Management Letter**
 - 1 item related to adjustment proposed

QUESTIONS?

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