



City of Hercules Council Meeting

January 22, 2019

Presented by: Elba Zuniga



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Deliverables

- 1. Annual Financial Report FY 2018
- 2. Communication with Those Charged with Governance at the Conclusion of the Audit FY 2018
- 3. Management Letter FY 2018
- 4. Single Audit Report FY 2018
- 5. Hercules Wastewater Fund Report FY 2018
- 6. Hercules Financing Authority FY 2018
- 7. City of Hercules Measure C Utility User Tax Rate Revenues FY 2018
- 8. City of Hercules Measure B Transactions and Use Tax Revenues FY 2018
- 9. Gann Limit Report FY 2018

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Annual Financial Report

Financial Statements

- **Unmodified Opinion**
- No material weaknesses identified on internal control over financial reporting
- City implemented new accounting standard GASB Statement No. 75 **Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions**
- Restatement of net position of \$1.1 M as a result of GASB No. 75

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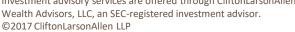




Required Communication

Significant Audit Findings

- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- **Disagreements with management**
- **Management consultations with other independent Accountants**
- Other information













Single Audit Report

Federal Awards

- One major program Highway Planning and Construction Grant
- Unmodified Opinion
- No material weaknesses identified in internal control over major federal programs

Management Letter FY 2018

Current Year Recommendations

Accounts Receivable Accrual and Revenue Recognition Cash reconciliation process

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Wastewater Fund

- Unmodified Opinion
- No material weaknesses identified on internal control over financial reporting
- City implemented new accounting standard GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
- Restatement of net position of \$55 thousand as a result of GASB No. 75

Public Financing Authority

- Unmodified Opinion
- No material weaknesses identified on internal control over financial reporting

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Measure B - AUP

No exceptions reported as a result of the procedures performed

Measure C - AUP

No exceptions reported as a result of the procedures performed

Gann Limit- AUP

No exceptions reported as a result of the procedures performed

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