



City of Hercules Council Meeting

January 22, 2019

Presented by: Elba Zuniga



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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**



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**





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





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**





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

