



CPAs AND ADVISORS



Presentation to Manhattan Beach City Council

January 15, 2019

Focused
on YOU



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Audit Responsibilities and Process

- LSL has been engaged by the City to perform a ***financial audit*** and to assist in preparing your annual Audited Financial Statements (CAFR).
- Our audit included testing of account balances and also the assessment of the internal controls in place related to financial reporting.



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Audit Process and Report

- Interim Audit (April)
 - Planning
 - Inquiry and documentation
 - Internal controls
- Year-End Audit (October)
 - Account analysis
 - Confirmations and Cut-off procedures
- Comprehensive Annual Financial Report
 - Introductory Section (Transmittal Letter)
 - Financial Section (Audit Report, MD&A, Statements and Footnotes)
 - Statistical Section



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Audit Opinion

- This audit work was all performed in order to render an “opinion” on the financial statements.
 - Management is responsible for the information in the statements
 - LSL’s opinion indicates the information is fairly stated in accordance with GAAP and is materially correct
- An “unmodified opinion” has been issued on your June 30 financial statements.

SAS 115 and Audit Communication Letter

- Statement on Auditing Standards (SAS) No.115:
 - Communicating internal control related matters identified in an audit
 - Material Weaknesses
 - Significant Deficiencies
- One Material Weaknesses related to fund balance restatement of \$282,464 in the Stormwater Fund. Capitalized amounts should have been expensed.
- No Significant Deficiencies
- Audit Communication Letter
 - New standards

Summary

- LSL is engaged to perform a Financial Audit
- The Financial Audit resulted in an Audited Financial Statement (CAFR) and an Unmodified Opinion was rendered
- The SAS 115 and Audit Communication Letter were issued along with the audited financial statements