



R.E. Badger Water Facilities Financing Authority

AU-C 260 Communication With Those Charge With Governance

For the Year Ended June 30, 2020

December 10, 2020



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SCOPE OF WORK

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- Audit of the Comprehensive Annual Financial Report
- Report on internal control over financial reporting and on compliance in accordance with *Government Auditing Standards*

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America
- Our responsibility is to plan and perform the audit to obtain “reasonable” assurance (not “absolute” assurance) about whether the financial statements are free of material misstatements.
- We considered internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Required Communications (AU-C 260)

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- **Independence**

- We complied with ALL relevant requirements regarding independence

- **Significant Accounting Policies**

- WFFA disclosed all significant accounting policies in Note 2 to the financial statements.
- WFFA implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*

- **Significant Estimates**

- Fair Value on Investments
- Amortization on Bond prepaid insurances, bond discounts and deferred amount of refundings

Required Communications (AU-C 260)

- **Sensitive Disclosures**

- Note 6 – Due from Districts
- Note 7 – Revenue Bonds
- Note 8 – Contingencies

- **Misstatements**

- There were no corrected or uncorrected misstatement reported.

- **Consultation with Other Accountants**

- Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and other matters.

Required Communications (AU-C 260)

- **Significant Difficulties**
 - We encountered no significant difficulties in dealing with management.
- **Disagreement with Management**
 - We did not have any disagreement with management in terms of accounting treatments nor audit procedures performed.

OVERVIEW OF THE FINANCIAL STATEMENTS

Net Position @ June 30

	<u>2020</u>	<u>2019</u>
Assets	\$ 3,485,041	\$ 6,734,065
Deferred Outflows of Resources	31,667	97,088
Liabilities	3,516,708	6,831,153
Deferred Inflows of Resources	-	-
Net Position:		
Unrestricted	<u>-</u>	<u>-</u>
Total net position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Changes in Net Position

	<u>2020</u>	<u>2019</u>
Nonoperating revenues (expenses)		
Less: Operating expenses	\$ 238,827	\$ 242,126
Amortization expenses	(110,871)	(29,782)
Interest expenses	(127,956)	(212,344)
Changes in Net Position	<u>\$ -</u>	<u>\$ -</u>

AUDIT RESULT

Audit Results

- **Financial Statements**
 - Unmodified opinion
 - Financial Statements are fairly presented in all material respects
 - Significant accounting policies have been consistently applied
 - Estimates are reasonable
 - Disclosures are properly reflected in the financial statements
- **AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit***
 - None Reported



Thank You



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