

Independent Auditor Presentation for the
Fiscal Year Ended June 30, 2022

Annual Comprehensive Financial Report and
Other Related Annual Audit Reports

City of South San Francisco
City Council February 8, 2023


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Partner

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Annual Audit

- Maze and Associates – we are an independent CPA firm, independent from the City of South San Francisco and its component units.
- Audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America.



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We Audit

- City (Annual Comprehensive Financial Report)
- Transportation Development Act (TDA)
Financial Statements and Compliance
- Compliance Testing for Measure A and W
programs
- Single Audit required in current year - *later*
(federal award programs)

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Results of Audit

- Independent Auditor's Report (pg 1 of ACFR)
 - Unmodified/clean opinions...fairly stated, in all material respects...in conformity with accounting principles generally accepted (GAAP) in the USA.
- TDA (pg 1)
 - Unmodified/clean opinion
 - No compliance findings
- Measures A and W
 - Unmodified/clean opinions
 - No compliance findings

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Results of Audit

- Management's Discussion and Analysis
(prepared by Finance Staff – pg 5 of ACFR)
 - Discusses significant activity for the fiscal year

- Major Events Include
 - Implemented GASB 87, *Leases* - Restatement – Notes 1T and 10
 - Recorded receivables of \$14.7m
 - Second tranche of ARPA Funding received - \$6.1m
 - Orange Memorial Park Bonds – \$65m
 - Pension – decreased \$60.9m (!!) – but beware...
 - OPEB – decreased \$6.2m

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Results of Audit

- Memorandum on Internal Control
 - Three possible categories for comments:
 - Material Weakness
 - Significant Deficiency
 - Other Matters

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Results of Audit

- Memorandum on Internal Control
 - No material weaknesses noted
 - Other informational items
 - Current status of prior matters

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Results of Audit

- Required Communications
 - Changes in Accounting Policies
 - None, other than
 - Implementation of GASB 87, *Leases*
 - Implementation of GASB 97, *Certain Component Unit Criteria...and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans...*
 - Other GASBs effective, but little to no impact
 - Unusual Transactions, Controversial or Emerging Areas
 - None

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Results of Audit

■ Required Communications (Continued)

- Significant Accounting Estimates Include
 - Pension and OPEB Liabilities and Related Def Outflows/Inflows
 - Fair Value of Investments
 - Depreciation
 - Compensated Absences
 - Claims Liabilities
- No difficulties encountered or disagreements with management
- No material adjustments
- No uncorrected misstatements to report (deemed trivial)

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Other Reports

- Agreed Upon Procedures – recalculation of the Gann Limit (Appropriations Limit)
 - City and District – no errors noted

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QUESTIONS?

M MAZE
& ASSOCIATES

"We are in the business to help our clients succeed"

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