

# The City of Bowie, Maryland

Results of June 30, 2019  
Financial Statement Audit

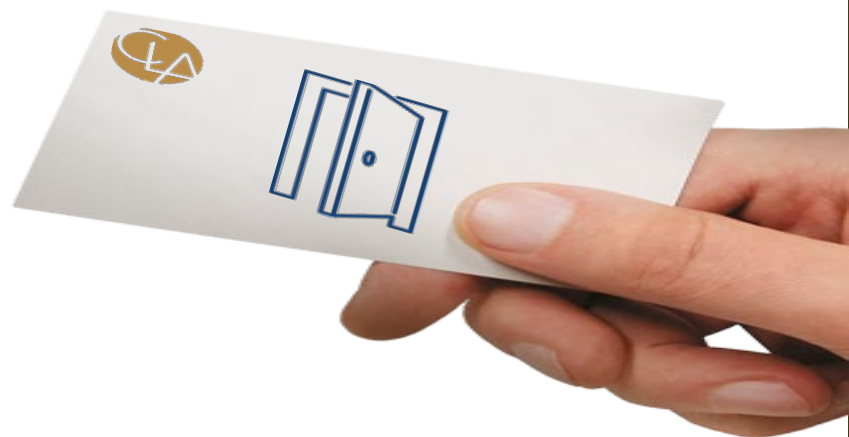


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# Agenda

- Our audit approach
- Audit results
- Required communications



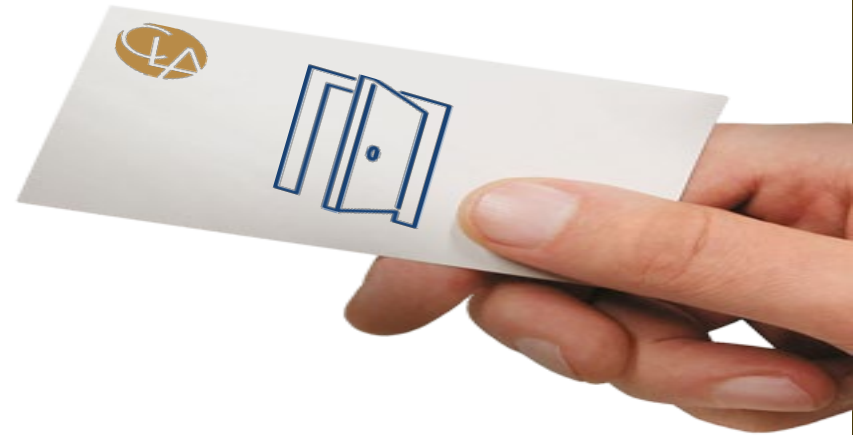
# Our Audit Approach

- Approach – Risk Based with emphasis on assessment of key internal controls
- Communication – Frequent, including regular formal status meetings, and informal communications



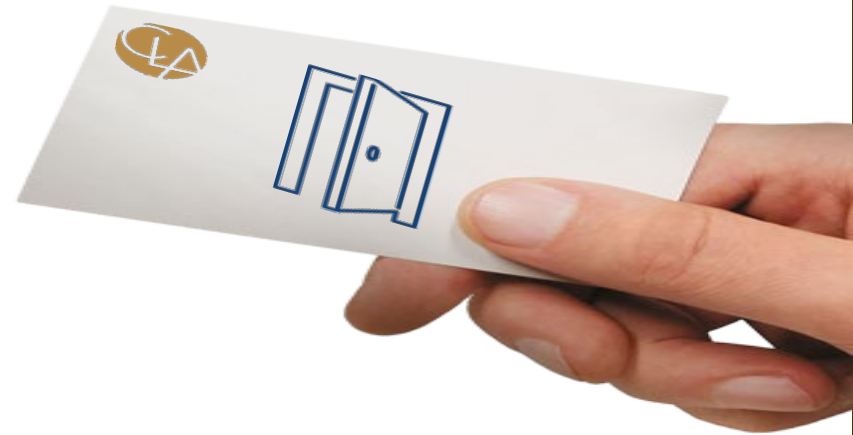
## Audit Results

# Auditors' Opinion on Financial Statements – Unmodified “clean” opinion



## Audit Results

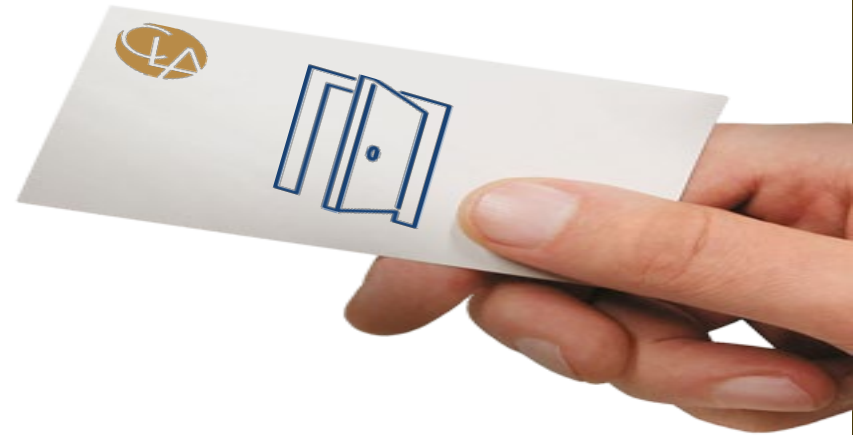
**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards** – one material weakness noted for restatement related to an error in the prior year OPEB calculation



# Audit Results

## Other Matters Letter

Update the City's information technology policies



# Required Communications

- **Auditors' Responsibility Under Generally Accepted Auditing Standards:**
  - The financial statements are the responsibility of management. Our audit was performed for the purpose of forming opinions as to whether the Financial Statements have been prepared in accordance with GAAP.



# Required Communications

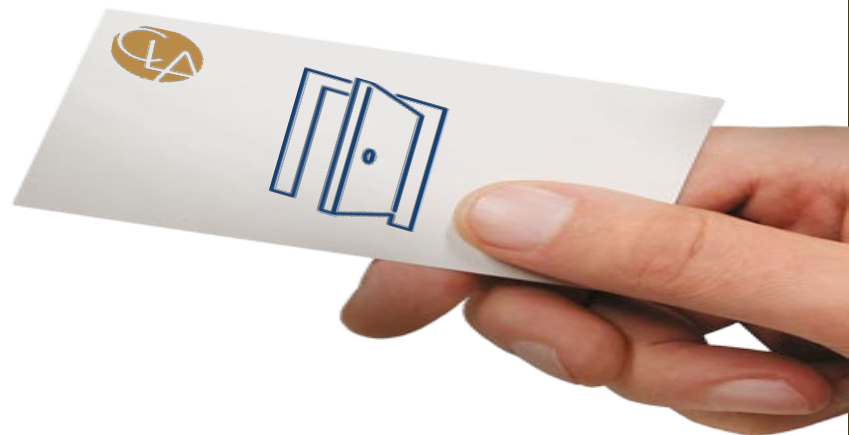
- **Qualitative Aspects of Accounting Practices**
  - Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies are disclosed in the Summary of Significant Accounting Policies in Note 1 of the Financial Statements.





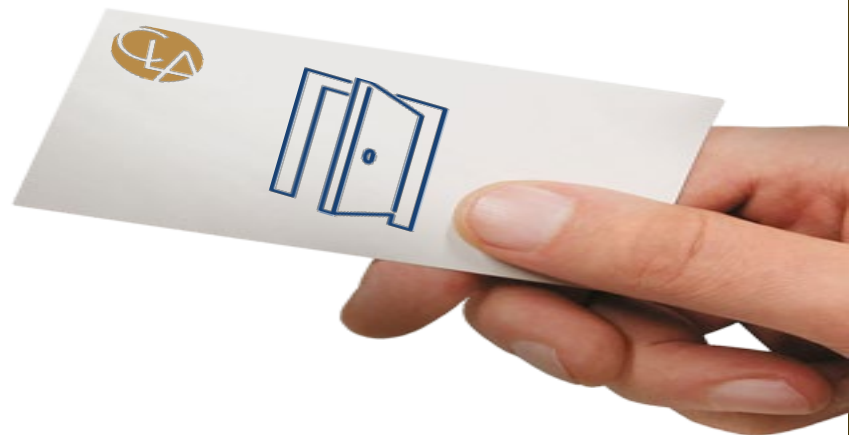
## Required Communications (continued)

- The preparation of the Financial Statements requires that certain estimates and judgments be made by management. These judgments and estimates include:
  - Depreciable lives of capital assets
  - Pension liability and other post-employment benefits liability are based on computations performed by outside specialists.



## Required Communications (continued)

- We concluded that management has a reasonable basis for significant judgments and estimates that impact the Financial Statements.
- No sensitive Financial Statement disclosures.



## Required Communications (continued)

- **Difficulties Encountered in Performing the Audit**
  - No significant difficulties were encountered during the audit.
- **Disagreements with Management**
  - There were no disagreements with management on financial accounting and reporting matters, auditing procedures, or other matters.
- **Representations from Management**
  - The representation letter was signed by management.



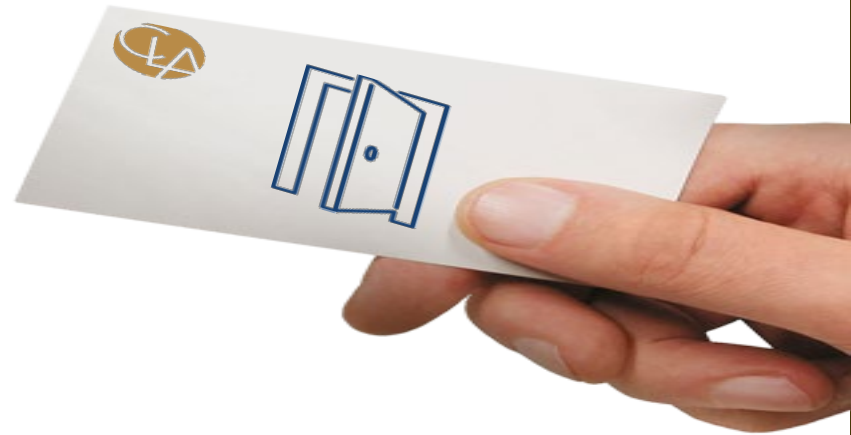
## Required Communications (continued)

- **Consultations with Other Accountants**
  - We were informed by management that they made no consultations on the applications of GAAP and GAAS.
- **Significant Issues Discussed with Management Prior to Retention**
  - There were no significant issues discussed with management prior to retention as the auditors.
- **Other Significant Findings or Issues**
  - There were no additional findings or issues not previously discussed.



## Required Communications (continued)

- **Uncorrected misstatements** One uncorrected misstatement related to prior year-end payroll accrual was identified. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- **Corrected misstatements** There were no material misstatements detected as a result of audit procedures, either individually or in the aggregate, to the financial statements taken as a whole.

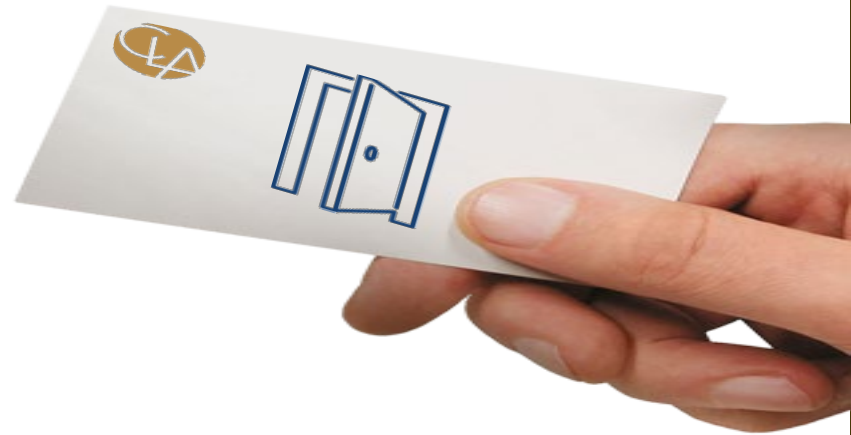


## Required Communications (continued)

- **Other Information in Documents Containing Audited Financial Statements**
  - We do not express an opinion on required supplemental information or supplemental information.



**Thank you to the City staff for  
their assistance during the  
engagement!**





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