

# *Vallecitos Water District*

Audit presentation  
For the year ended June 30, 2017

December 6, 2017

# *Vallecitos Water District*

- *Audit objective*
  - Express an opinion on **management's** financial statements
    - After gathering and evaluating sufficient, appropriate audit evidence, provide:
      - *Reasonable assurance* the financial statements are free of *material* misstatement
      - An opinion as to whether the financial statements are fairly presented, in all material respects, in accordance with Generally Accepted Accounting Principles

# *Vallecitos Water District*

- Audit standards to be followed:
  - Generally Accepted Auditing Standards (GAAS)
  - Minimum audit requirements and reporting guidelines for California special districts
  - Generally Accepted Government Auditing Standards (GAGAS)(single audit usually triggers)

# *Vallecitos Water District*

- Responsibilities

- Management:

- Financial statements
    - Complete and accurate financial records
    - Comprehensive framework of internal control, including controls to prevent and detect fraud

- Governing body:

- Fiduciary
    - Ensure management fulfills obligations for internal control and financial reporting

- Auditor:

- Accumulate sufficient, appropriate audit evidence to support an opinion on the fair presentation of the financial statements

# *Vallecitos Water District*

- Evaluate financial statements to determine, as a whole, whether presented fairly and free of material misstatement in accordance with GAAP
- Form an opinion:
  - Unmodified – statements are fairly stated in all material respects
  - Modified:
    - Qualified – except for the effects of the matters qualified, the financial statements are fairly stated
    - Adverse – sufficient evidence obtained, but misstatements are material and pervasive, financial statements not fairly stated
    - Disclaimer – no opinion expressed (management imposed limitations during audit, etc)