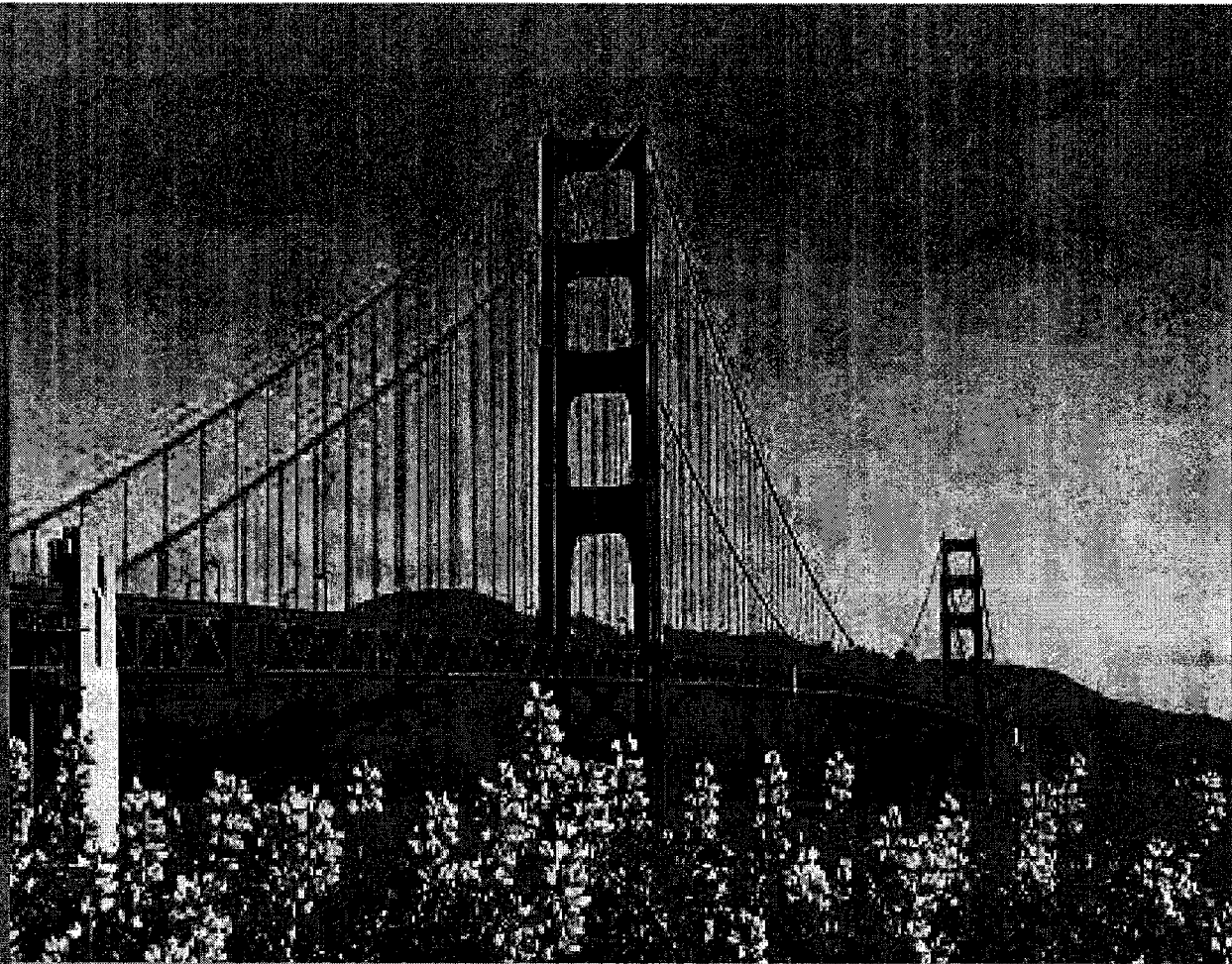




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**City and County of San Francisco
Fiscal Year 2013-14
Audit Service Plan**

May 22, 2014

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**Hello, and thank you.
Our approach, like our plan
that follows, is all about clear
communication, innovation,
a willingness to always go the
extra mile, and full transparency
– because that’s what it takes
to deliver the highest level of
assurance.**

On behalf of Macias Gini & O’Connell LLP (MGO), we are pleased to present our 2014 Audit Service Plan (Plan) for the City and County of San Francisco (City) for the year ending June 30, 2014. In preparing our Plan we have drawn on our experience in serving the City in prior years and numerous governmental entities within California. This Plan presents our engagement service teams; timeline for deliverables; highlights our audit approach, scope and objectives; incorporates some of the key audit issues facing the City; and summarizes audit responsibilities under *Government Auditing Standards*, issued by the Comptroller General of the United States. Also included in this document is a summary of recent technical developments in governmental accounting and financial reporting that may impact the City over the next few years.

We are committed to serving the City so that citizens, elected officials, management, grantor agencies and creditors continue to have the utmost confidence in the City’s financial statements, internal control systems and compliance with laws and regulations. We dedicate the resources of our team and provide ongoing access to our very best resources to exceed the City’s expectations.

We appreciate the opportunity to be of service and look forward to discussing the highlights of our Plan with the City.

Very truly yours,



Cynthia Pon, CPA
MGO Partner

Section 1

A glance at our audit services.

Our goal is to continuously exceed the expectations of the City and County of San Francisco, and to focus the resources of our firm in providing efficient, cost effective and high-quality services to the General City, the Employees' Retirement System, the Successor Agency to the Redevelopment Agency, General Hospital, Laguna Honda Hospital, the Port, and the Finance Corporation (collectively referred to as the "City").

MGO Objectives

Our mission is to be the professional service firm that consistently exceeds the expectations of our clients and our people. Our objective is to deliver seamless, high quality, timely service to the City in all areas in which we provide professional services. In addition to audit services these include accounting and auditing, consulting, tax and other specialized services. We will meet our objectives by identifying opportunities to provide value-added services to the City.

In order to accomplish this, we will:

- Identify and resolve reporting, accounting and audit issues timely and effectively;
- Regularly communicate with City management;
- Complete our audits on a timely basis;
- Provide seamless service across the organization;
- Understand your organization, culture, programs and services;
- Provide the suited experienced professionals;
- Utilize specialists where unique skill sets are required;
- Apply our technical knowledge to identify solutions to organizational and financial issues;
- Respond to critical issues with a sense of urgency;
- Act as another set of "eyes and ears";
- Meet all deadlines; and
- Communicate key findings to management.

Our focus is on the City's Critical Audit Areas and Operation Changes

Through planned face-to-face meetings with members of the Chair of the Government Audit & Oversight Committee, the Retirement Board, the Mayor's Office, the Controller's Office, and key management personnel throughout the year, we will directly ascertain the City's expectations of us and we will communicate our responsibilities under professional standards. We will listen to what members of management expect from us and ask them to tell us what service attributes are most important to them. We will use this information to develop a comprehensive audit approach to respond to identified issues and service needs for the City.

Audit Services

Our audit services emphasize comprehensive planning and risk assessment to fulfill our professional responsibilities and enable us to be responsive to the needs of the City.

Our Service Teams

An important part of successfully implementing our plan is identifying and utilizing the appropriate resources. We have selected engagement teams that are committed to carrying out our service plan. Caroline Walsh, Client Services Partner, leads our service team and will coordinate the audits performed by MGO. The Engagement Team section lists the key individuals assigned to the City's individual funds and component units.

Quality and Responsive Service

We provide service, which stresses responsive attention year-round. Close communication with our clients is one of our top service qualities – it is the only way we serve our clients. We will work with you as business advisors, and we will place special emphasis on being actively involved in understanding all significant financial and reporting matters. Accordingly, we will meet with you regularly to stay abreast of your service needs and special concerns. You can call upon us as a resource at any time.

Audit Approach

Our audit approach carefully considers the identification of key risk areas and allocation of appropriate resources. Professionals with extensive auditing and accounting experience lead all phases of our audit. With our experienced leaders in the field, our efficiency and effectiveness increase when dealing with complex accounting and auditing issues.

Our audit procedures include analytical reviews, verification of balances and transactions based on independent supporting documentation using statistical and judgmental sampling techniques, confirmation of key balances, and analysis of key assumptions supporting significant estimates made by management.

This document further presents discussions on our approach to the services we will provide to the City, details our framework for planning and performing the audit, and sets forth our audit scope and timing.

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Section 2

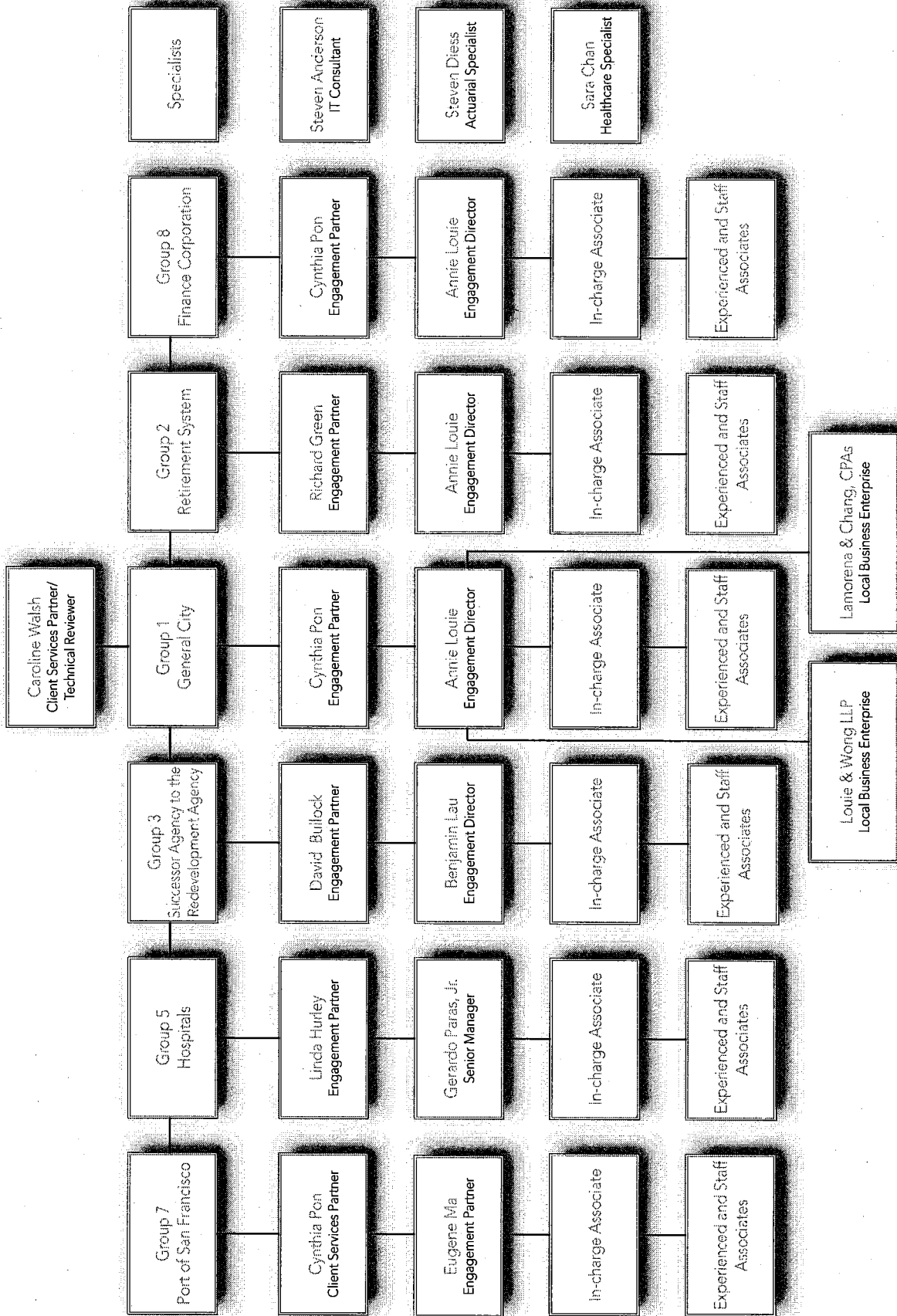
The

who-does-what

chart.

ENGAGEMENT TEAMS

The engagement teams selected to serve the City represents the strong, balanced blend of talent, professional skills, and industry experience that is most critical to working effectively with local governments of your size and complexity. The MGO Team is integrated to allow us to respond to your needs. We are committed to providing the resources necessary to meet the timeline that has been established by the City. This commitment includes providing the appropriate number and level of staffing to meet your needs.



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Section 3 The Audit Calendar.

AUDIT TIMING

We recognize the importance of timely completion of audit tasks and deliverables. The timing of our audit procedures will be coordinated with management to minimize disruption of City operations and to ensure timely delivery of all reports by your deadlines.

Government-related entities often depend on a structure of interlocking relationships for managing broad programs and resources. Our philosophy for a successful engagement is based on organization, communication, and coordination between the two parties

responsible for the completion of the audit – the accounting firm and the client. We take coordination seriously and regard it as an integral factor to the relationship. We welcome the City's involvement in the planning process and believe that monitoring progress will result in timely financial reporting.

We are committed to delivering the City's various reports according to the City's proposed time plan.

AUDIT TIMELINE	Group 1 - General City	Group 2 - Employees' Retirement System	Group 3 - Successor Agency	Group 5 - Hospitals	Group 7 - Port	Group 8 - Finance Corporation
Planning and Execution of Tests of Controls						
Planning meetings with key management and governing boards	Jul - Aug	Jul - Aug	Jul - Aug	Jul - Aug	Jul - Aug	Jul - Aug
Submit Audit Plan to the Board's Government Audit and Oversight Committee	05/22	05/22	05/22	05/22	05/22	05/22
On-site planning and execution of tests of controls	06/23 - 07/18	07/07 - 07/18	07/07 - 07/18	07/21 - 08/22	06/02 - 06/13	07/07 - 07/18
Single Audit planning and preliminary program compliance tests	Jun - Aug	n/a	07/07 - 07/18	n/a	n/a	n/a
Execution of Substantive Procedures						
Auditors' receipt of draft financial statements, including notes and management's discussion and analysis (MD&A), and all other client-prepared documents	10/13	09/29	09/29	09/15	09/22	10/13
On-site year-end fieldwork	10/13 - 11/26	09/29 - 10/17	09/29 - 10/17	09/15 - 10/10	09/22 - 10/10	10/13 - 10/24
Completion of Single Audit tests	02/27/15	n/a	09/29 - 10/17	n/a	n/a	n/a
Completion of Gann Agreed-Upon Procedures	10/10	n/a	n/a	n/a	n/a	n/a
Completion Procedures and Communications						
Issuance of final basic financial statements	11/26	10/24	10/24	(1)	10/24	10/24
Issuance of Gann Agreed-Upon Procedures Report	10/24	n/a	n/a	n/a	n/a	n/a
Issuance of Single Audit Reports	03/20/15	n/a	12/15	n/a	n/a	n/a
Issuance of management letter comments, if applicable	12/19	10/24	(2)	(2)	(2)	(2)
Present Audit Results to the Board's Government Audit & Oversight Committee	April 2015	April 2015	April 2015	April 2015	April 2015	April 2015

(1) The hospitals' financial statements are incorporated into and reported with the General City's basic financial statements.

(2) Management letter comments for these groups, if applicable, will be combined with Group 1's letter.

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Section 4

The audit

process.

PLANNING

Timely Involvement with Risks and Issues

Planning the City's audits is a continuous process. Our ongoing attention to changes in the City's economic and operating environment enables us to react to changing circumstances and unanticipated events and enhances our understanding of the City. The objectives of the planning phase are to develop an audit plan that 1) effectively and efficiently meets our professional responsibilities and 2) meets or exceeds the expectations and needs of City management, the Mayor, and the governing boards.

To accomplish our planning objectives, we will:

- Document our understanding of the internal and external factors affecting the City, which enables us to identify and evaluate relevant areas of risk.
- Document our understanding of the City's control environment, accounting systems and control procedures for significant audit areas and transaction streams.
- Finalize an audit plan that identifies critical audit areas and procedures to address identified risks.
- Ensure that our plan provides appropriate audit coverage.
- Coordinate our audit services with the support of management for maximum efficiency.
- Develop and execute an audit plan that is designed to deliver our services effectively and efficiently and provides a basis for the issuance of our opinions.
- Strive to add value.

Client Service Program

Through our client service program, the City receives the direct attention of one of our most knowledgeable and experienced professionals, Caroline Walsh. Caroline will review our annual client service plan and the reports prepared on the results of each year's work, and the assignment of personnel

to the engagement. In addition, she will assure that your specialized needs receive priority access to top resources from anywhere in our organization.

Environmental Assessment

In addition, our planning process evaluates the City's financial reporting risks based on the broader environment, drawing upon our knowledge of economic and operational changes affecting the City, including the impact of:

- Recent economic trends and their effect on the City's fund balances
- State budget
- Cost containment
- Legislative changes in California Redevelopment Agencies
- Pension modification

EXECUTION

Performance - Execution of Audit Plan

Our audit scope must be designed to provide sufficient audit coverage to enable us to express an opinion on the City's financial statements, as well as addressing all known audit risks, which could materially impact the City's financial statements.

Execution generally includes the following steps:

- Performance of audit tests and evaluation of results
- Development of organizational insights
- Review of financial statements, financial statement disclosures and subsequent events
- Obtaining management representations

During the course of the audit, we use our knowledge gained during the planning phase related to your current organizational strategies, economic conditions, internal control, and the identified risks to tailor our audit procedures.

Approach to Critical Audit Areas

We have identified certain critical audit areas facing the City. During our planning phase of the audit, we expand our understanding of these critical audit areas and obtain further information as needed in order to appropriately design audit procedures to address these issues.

Implementation of GASB Statement

No. 65 – The City is required to adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The City will need to properly classify certain items previously reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources and recognize certain items previously reported as assets or liabilities as expenses/expenditures or revenues. It is essential that the City adopts and applies consistent accounting policies to all City departments and other components that are within the City's reporting entity. MGO will work closely with the Controller's Office to ascertain consistent application of the new requirements.

Accounting for Pension Benefits – The new pension standards (GASB Statement Nos. 67 and 68) will significantly change how pension benefits are reported in the City's financial statements. The City's Employees' Retirement System administers a cost-sharing multiple-employer defined benefit pension plan, and must adopt the provisions of GASB Statement No. 67 in the year ending June 30, 2014. While the Retirement System's financial statements will not undergo major changes, the Retirement System must provide the information necessary for the City to properly implement the required changes in the year ending June 30, 2015.

The Retirement System (as the plan administrator) and the City (as the employer) must mutually agree on a measurement date that will meet the timing requirements for actuarial

valuations and financial reporting. Because the City's pension plan is a cost-sharing multiple-employee plan, there must also be agreement on how the net pension liability will be allocated to each participating employer. MGO will facilitate the coordination of these planning efforts between the Retirement System and the City. Our audit approach will also focus on whether the actuarial valuation meets the requirements of the new standards.

Self-Insured Risks – The City is exposed to various risks of loss and is self-insured for most of its liability risks, including general liability and workers' compensation claims. We consider this to be a critical area due to the high degree of judgment involved in the calculation of the claims liability. Our procedures will review the City's calculation used to compute these liabilities with an emphasis placed on the consistency of assumptions used and data maintained, review the adequacy of estimated reserves developed by the City, and test the roll forward of the claims liability from prior year.

Other Postemployment Benefits (OPEB) – The City administers a single-employer, defined benefit OPEB plan. The City's annual OPEB expenses are based on various factors, including actuarially determined annual required contributions (ARC) and actual contributions made. Our audit approach will focus on the reasonableness of actuarial assumptions in the actuarial valuations, and calculations for other postemployment benefits.

Patient Service Revenues – Net patient services revenues are recorded at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and state government programs and other third-party payors. We will apply audit procedures to the revenue

estimates and cost recognition methods related to reimbursement rates, third party payors, and health care contracts.

Long Term Debt – The primary function of the City's Finance Corporation is to act as a financing vehicle for the City. To finance these projects, the Finance Corporation relies on base payments received from the City. Our audit approach will include an assessment of compliance with the significant terms of the bond covenants. We will also evaluate whether reclassifications of bond issuance costs are appropriate under the provisions of GASB Statement No. 65.

Timing of Our Work

We have timed our work to coincide with key activities that are taking place in the City throughout the year. The Audit Timing section of this Plan outlines the timing of our procedures.

The Result

Our process is designed to enable us to issue the independent auditor's report within the agreed upon timeline. The result of our work will also include the timely delivery of observations and suggestions regarding the control environment and operations of your organization. Such communications will be delivered both formally, through the report to management, as well as informally through regular meetings with management.

REPORTING

Scope and Responsibility

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States for the purpose of expressing opinions on the fair presentation of the City's financial statements in conformity with U.S. generally accepted accounting principles. In addition, we will perform certain limited procedures involving

required supplementary information mandated by the Governmental Accounting Standards Board as required by GAAS. Our audits are designed to obtain reasonable (as opposed to absolute) assurance about whether the financial statements are fairly presented.

The City's Comprehensive Annual Financial Report (CAFR) presents financial information on the activities of the City for which the Mayor and the Board of Supervisors have oversight, governing, and budgeting responsibilities. The CAFR encompasses the basic financial statements and other financial and statistical information including combining statements of individual funds, supporting schedules, ten-year trend data, and various other statistical data.

Financial Statements Audited by Other Auditors

Separate financial statements for certain funds and organizations that are presented in the City's CAFR are audited by other firms:

- Group 4 – Health Service System
- Group 6 – San Francisco International Airport
- Group 9 – Public Utilities Commission (PUC) including the Water Department, Hetch Hetchy Water and Power, and the Wastewater Enterprise
- Group 10 – Municipal Transportation Agency which includes the Parking Garage nonprofit organizations
- San Francisco Market Corporation

The audit plans for these entities are not included in this document. Our report on the City's basic financial statements will make reference to the reports of the auditors of the City's individual fund and component unit reports not audited by MGO as noted above.

The basic financial statements are the responsibility of management. In this regard, management has the responsibility for properly recording transactions in the accounting records, for adjusting the financial statements to correct material misstatements,

for making appropriate accounting estimates, for safeguarding assets, and for the overall accuracy of the financial statements and their conformity with accounting principles generally accepted in the United States of America.

In addition, we will conduct a Single Audit of the City in accordance with the federal Single Audit Act Amendments of 1996; the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the related OMB Circular A-133 Compliance Supplement. The audit will be the financial and compliance type described in *Government Auditing Standards*. The Single Audit will not include federal expenditures of the International Airport and the Municipal Transportation Agency (MTA), which are audited by other auditors.

Reporting Responsibility under Auditing Standards Generally Accepted in the United States of America

We will also report directly to management and to you matters coming to our attention during the course of our audit that we believe are deficiencies. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

In addition to communications about our responsibilities under U.S. generally accepted auditing standards and the

planned scope and timing of the audit, we will communicate to you certain other matters related to the conduct of our audit, including where appropriate the following matters:

- Qualitative Aspects of Accounting Practices
- Corrected and Uncorrected Misstatements
- Difficulties Encountered in Performing the Audit
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues
- Other Information in Documents Containing Audited Financial Statements

Management Comments

One of the primary service objectives is to make constructive and timely recommendations and to provide advice to you and management on matters we believe warrant attention. We have tailored our audit approach to focus on those risks that are important to achieving control and reporting objectives. We have the benefit of being objective outsiders in considering the information we gather. The result is that we are able to add the perspective of our experience and expertise to translate our audit findings into recommendations and insights concerning existing or potential problems. We will keep management and you apprised of any matters that we believe warrant consideration whenever they come to our attention.

Assessment – Client Service Satisfaction

Annually we obtain direct feedback from our clients about their satisfaction level with MGO services. We have partnered with a satisfaction research firm, Inavero, to conduct brief 3-question surveys that allow you to rate our services and share your valuable input. In addition to communicating with management regarding the effectiveness of our services, we use the survey results to identify areas to focus on in order to

increase your satisfaction with our service delivery.

Once we receive your response and feedback, we'll identify opportunities to add value; to identify the most experienced people within our organization to best respond to the City's needs; and to monitor the delivery of such services to ensure we exceed your service expectations.

In addition, we will hold recurring meetings between MGO and the City's management to discuss emerging issues. The key objective of these meetings is to consolidate our combined knowledge of the City's organizational changes and new programs or initiatives. These meetings will result in a better understanding of the challenges facing the City and will enable us to proactively identify opportunities and bring creative ideas to the attention of the City's management.

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Section 5 Our Role and Your Responsibilities.

We are pleased to confirm our understanding of the services we are to provide the City and County of San Francisco (City) for the year ending June 30, 2014. We will audit the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ending June 30, 2014. Our report on the City's basic financial statements will make reference to the auditors' reports on the City's individual funds and component units not audited by Macias Gini & O'Connell LLP (MGO). The individual funds and component units not audited by MGO include the Health Service System, San Francisco International Airport, San Francisco Water Enterprise, Hetch Hetchy Water and Power, San Francisco Wastewater Enterprise, San Francisco Municipal Transportation Agency, and the San Francisco Market Corporation. As a result, we will make reference to the work performed by the other firms in our audit opinion of the City's basic financial statements.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedules of Funding Progress

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining and individual fund financial statement schedules.
2. Schedule of expenditures of federal awards.

The City's Comprehensive Annual Financial Report (CAFR) will also include introductory and statistical sections prepared by the City that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will not provide any opinion or any assurance.

In addition to our audit of the basic financial statements of the City, we will also perform the following:

1. Audit and separately report on the individual financial statements of the Port of San Francisco, the San Francisco City and County Employees' Retirement System, the Successor Agency to the Redevelopment Agency, and the San Francisco Finance Corporation.
2. Audit and separately report on compliance with federal award programs in accordance with OMB Circular A-133.
3. Separately audit the San Francisco General Hospital and the San Francisco Laguna Honda Hospital enterprise major funds. Separate stand-alone reports are not requested by the City.
4. Agreed-upon procedures to review compliance with appropriations limit requirements of Section 1.5 Article XIIB of the California Constitution (commonly referred to as the Gann Limit) in accordance with the procedures agreed to by management and recommended by the California Committee on Municipal Accounting (as presented in the CCMA White Paper titled Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIIB of the California Constitution).

Audit Objectives

The objective of our audit is the expression of opinions as to whether the City's basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records; a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Mayor

and the Board of Supervisors of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from the engagement.

Management Responsibilities

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of OMB Circular A-133. Management agrees to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with

compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (1) access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Management's responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all

known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of any knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. Management agrees to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. Management also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Management's responsibilities include acknowledging to us in the written representation letter that (1) management is responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that management believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have

not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Management's responsibilities include acknowledging to us in the written representation letter that (1) management is responsible for presentation of the supplementary information in accordance with GAAP; (2) that management believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) management has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or

studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as the planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs.

However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from the City's attorneys as part of the engagement, and they may bill the City for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about management's responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements

and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration

We may from time to time, and depending on the circumstances, use third-party service providers in serving the City. We may share confidential information about the City with these service providers, but remain committed to maintaining the confidentiality and security of the City's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of the City's personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of the City's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of the City's confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, management will be asked to provide consent prior to the sharing of the City's confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that City employees will prepare all cash, accounts receivable, or other confirmations we request and will

locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with management the electronic submission and certification. If applicable, we will provide copies of our report for management to include with the reporting package management will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Macias Gini & O'Connell LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the City's cognizant agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such

audit documentation will be provided under the supervision of Macias Gini & O'Connell LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. Upon expiration of the seven-year period, MGO will be free to destroy our records related to this engagement. However, MGO does not keep any original client records, so we will return those to management at the completion of the services rendered under this engagement. When records are returned to management, it is management's responsibility to retain and protect the records for possible future use, including potential examination by any government or regulatory agencies.

In connection with this engagement, we may communicate with management or others via e-mail transmission. As e-mail can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mail from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mail transmitted by us in connection with the performance

of this engagement. In that regard, management agrees that we shall have no liability for any loss of damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

With regards to the electronic dissemination of audited financial statements, including financial statements published electronically on the City's website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

The City should also be aware that services under this agreement may be provided to the City by a nonlicensee owner (that is, by an owner of Macias Gini & O'Connell LLP who, because of his or her specialty, is not individually licensed as a Certified Public Accountant).

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the City in the performance of our services. Any discussions that the City has with personnel of our firm regarding employment could pose a threat to our independence. Therefore, the City agrees to inform us prior to any such discussions that we can implement appropriate safeguards to maintain our independence.

Government Auditing Standards require that we provide the City with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2012 peer review report is presented on the next page.



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System Review Report

September 12, 2012

To the Partners of
 Macias Gini & O'Connell, LLP
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP (the "firm") applicable to non-SEC issuers in effect for the year ended March 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Macias Gini & O'Connell, LLP applicable to non-SEC issuers in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Macias Gini & O'Connell, LLP has received a peer review rating of *pass*.

**CARR, RIGGS & INGRAM, LLC
 CERTIFIED PUBLIC ACCOUNTANTS**

Section 6 Recent Developments in Governmental Accounting.

The following is a summary of the more recent and relevant Governmental Accounting Standards Board (GASB) and other pronouncements that may have an impact on the City in the current and future periods. We will have ongoing discussions with management about these as well as other developments in an effort to be prepared in advance for their implementation.

FISCAL YEAR 2014 IMPLEMENTATION

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is intended to clarify the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in Concepts Statement 4. Based on those definitions, Statement No. 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.

GASB Statement No. 66, *Technical Corrections – 2012*

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012*, to resolve conflicting accounting and financial reporting guidance that

could diminish the consistency of financial reporting. This Statement amends Statement No. 10, *Codification of Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

This Statement requires a government that extends a nonexchange financial guarantee to (1) recognize a liability when qualitative and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on that guarantee, (2) recognize revenue to the extent of the reduction in its guaranteed

liabilities, if it has issued an obligation within the guarantee, (3) and to continue to recognize a liability until legally released as an obligor, if required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation. The provisions are to be applied retroactively except disclosures related to cumulative amounts paid or received in relation to a financial guarantee. Disclosures related to cumulative amounts may be applied prospectively.

By requiring consistent reporting by governments that extend nonexchange financial guarantees and governments that receive nonexchange financial guarantees, this Statement enhances the comparability of financial statements and the information disclosed about a government's obligations and risk exposure relating to extending nonexchange financial guarantees. Users of financial statements have improved ability to assess probability of obligation repayment by the government, as disclosures are required to be issued with this type of financial guarantee.

FISCAL YEAR 2014 IMPLEMENTATION (FOR PENSION PLANS) AND FISCAL YEAR 2015 IMPLEMENTATION (FOR EMPLOYERS)

GASB Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*

On June 25, 2012, GASB approved Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 67 addresses reporting by pension plans that administer benefits for governments, and is effective for financial statements for periods beginning after June 15, 2013. Statement No. 68, which primarily relates to reporting by governments that provide pensions to their employees, is effective for fiscal years beginning after June 15, 2014.

Key changes include:

- Incorporating ad hoc cost-of-living adjustments and other ad hoc postemployment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
- Using a discount rate that applies (a) the expected long-term rate of return on pension plan investments for which plan assets are expected to be available to make projected benefit payments, and (b) the interest rate on a tax-exempt 20-year AA-or higher rated municipal bond index to projected benefit payments for which plan assets are not expected to be available for long-term investment in a qualified trust.
- Adopting a single actuarial cost allocation method – entry age normal – rather than the current choice among six actuarial cost methods.

As an employer, the City will be subject to the provisions of Statement No. 68 beginning with fiscal year ending June 30, 2015. Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria.

The Statement requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries.

The Statement calls for immediate recognition of more pension expense than is currently required. This includes immediate recognition of annual service cost and interest on the pension liability and immediate recognition of the effect on the net pension liability of changes in benefit terms. Other components of pension expense will be recognized over a closed period that is determined by the average remaining service period of the plan members (both current and former employees, including retirees). These other components include the effects on the net pension liability of (a) changes in economic and demographic assumptions used to project benefits and (b) differences between those assumptions and actual experience. Lastly, the effects on the net pension liability of differences between expected and actual investment returns will be recognized in pension expense over a closed five-year period.

Statement No. 68 also requires employers to present more extensive note disclosures and RSI, including disclosing descriptive information about the types of benefits provided, how contributions to the pension plan are determined, and assumptions and methods used to calculate the pension liability.

These changes, however, relate only to accounting and financial reporting, not to how governments approach the funding of their pension plans. Pension funding is a policy decision made by government officials.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68

In November 2013, Statement No. 71 was issued to address an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, regarding transition provisions related to certain pension contributions made to defined pension benefit plans prior to the implementation of Statement No. 68 by

employers and nonemployer contributing entities.

Statement No. 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

At transition to Statement No. 68, an employer or nonemployer contributing entity should determine *all* deferred outflows of resources and deferred inflows of resources related to pensions. If it is not practical to do so, Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

Statement No. 71 amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68 continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

FISCAL YEAR 2015 IMPLEMENTATION

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, to establish accounting and financial reporting standards related to government combinations (transactions generally referred to as mergers, acquisitions, and transfers of operations) and disposals of government operations.

Prior to Statement No. 69, governments accounted for government combinations by drawing comparisons with accounting and financial reporting standards intended for the business environment. By establishing specific accounting and financial reporting guidance for the governmental environment and requiring disclosures of government combinations and disposals of government operations, this Statement improves decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

As an effort to reform and strengthen federal grant-making rules, the Office of Management and Budget (OMB) published new guidance on *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which is more commonly known as the "Super Circular." By streamlining eight Federal regulations into a single, comprehensive policy guide, the government can better administer grants and other types of financial assistance by decreasing the administrative burden for recipients and reducing the risk of waste, fraud, and abuse.

The Super Circular supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in OMB guidances); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up. While it does not entirely change these regulations, the Super Circular does include some noteworthy changes that will have important implications for all grant applicants for and recipients of Federal grants and cooperative agreements.

The new guidance, published on December 26, 2013, will be implemented on December 26, 2014, and will apply to awards made on or after this date. The audit requirements will also apply to audits of fiscal years beginning on or after this date. The City should prepare for the new grant rules as a recipient of federal funds, and also be aware of the changing audit requirements for its grant subrecipients.

Please call us if you need anything.

The West Coast is our home.
We have cheerful offices throughout California and Washington.
Come and see us.

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