

City of Tacoma GPFC and Audit Advisory

2024 Audit Entrance Presentation

Olga A. Darlington, Partner January 21, 2025



1

# Scope of Services

Relationships between Moss Adams and City of Tacoma:

- Audit and report on the financial statements for City of Tacoma, Tacoma Public Utilities' Power (Light) Division, Water Division, and Rail (Beltline) Division, and Environmental Services' – Solid Waste Division, and Wastewater and Storm Water Division
- Audit and report on internal control and compliance over financial reporting in accordance with Government Auditing Standards

#### **Annual Audit**



Agreed Upon Procedures



- Annual financial statement audits for the year ended December 31, 2024
- Annual reports on internal control in accordance with Government Auditing Standards

Report to the Environmental Protection Agency relating to Thea Foss and Wheeler-Osgood Problem Areas RD/RA Consent Decree

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# **Auditor Responsibility**

 $Our \ responsibility \ under \ U.S. \ Generally \ Accepted \ Auditing \ Standards \ and \ \textit{Government Auditing Standards}.$ 

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To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

To consider internal control over financial reporting as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

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3

## Significant Audit Areas



INTERNAL CONTROL
OVER FINANCIAL
REPORTING AND
SIGNIFICANT
BUSINESS CYCLES –
BILLINGS AND CASH
RECEIPTS, CASH
DISBURSEMENTS,
PAYROLL, IT
ENVIRONMENT
CONTROLS



EXISTENCE AND VALUATION OF CAPITAL ASSETS AND CLASSIFICATION OF CONSTRUCTION IN PROGRESS BALANCES



CUSTOMER BILLING
AND REVENUE
RECOGNITION AND,
EVALUATION OF
LEASE REVENUE
AND RELATED
RECEIVABLE
BALANCES



MANAGEMENT ESTIMATES – ENVIRONMENTAL, CONTINGENCY AND LEGAL RESERVES, PENSION AND OPEB ASSUMPTIONS

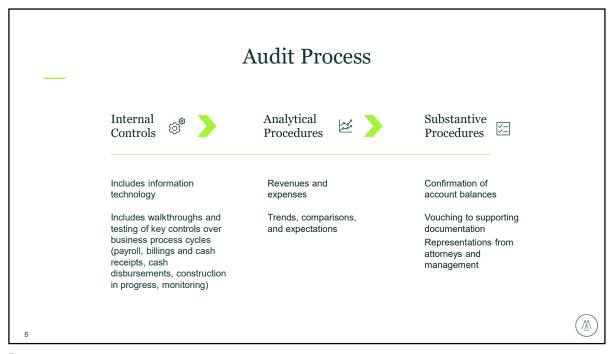


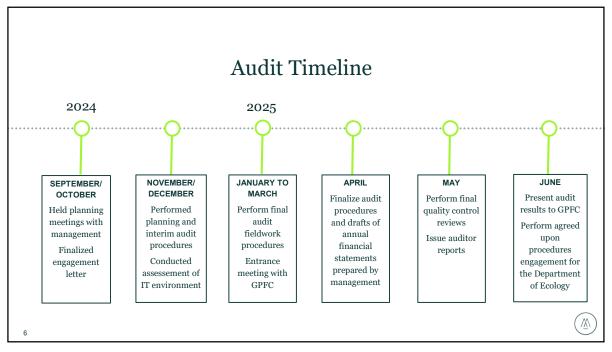
TESTING OF CASH
AND INVESTMENT
BALANCES IS
CONDUCTED IN
COORDINATION
WITH STATE
AUDITOR'S
OFFICE

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# Recent Accounting Developments 2024

GASB Statement No. 100 – Accounting Changes and Error Corrections (effective 2024)

**GASB Statement No. 101** – Compensated Absences (effective 2024)

GASB Statement No. 102 – Certain Risk Disclosures (effective 2025)

GASB Statement No. 103 – Financial Reporting Model Improvements (effective 2026)

GASB Statement No. 104 – Disclosure of Certain Capital Assets (effective 2026)



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7

### Your Service Team Leaders



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Energy Industry Group Leader Over 20 years of public accounting experience, serving electric, water, and wastewater utility clients



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5

