



City of Tacoma GPFC

Julie Desimone, Partner
Jennifer Chu, Senior Manager
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AGENDA

- Your service team
- Communication
- Phases of the Audit
- Audit Timeline
- Scope of Services
- Responsibilities Under Auditing Standards
- Risk Assessment - areas of emphasis
- New Accounting Standards

KEY SERVICE TEAM MEMBERS

Our service philosophy is to bring a team of professionals with relevant industry experience that include leaders within our industry groups to consistently provide superior client service. Your service team has significant industry experience with the depth of knowledge to be responsive to your needs.

Team Member	Role	Contact Information
Julie Desimone, Partner <i>Energy & Utilities National Practice Leader</i> Over 15 years public of accounting experience, serving energy and utilities clients	 Partner	Phone: 503-478-2101 Email: julie.desimone@mossadams.com
Olga Darlington, Partner <i>Energy & Utilities Industry Group</i> Over 15 years public accounting experience, serving energy and utilities clients	 Engagement Reviewer	Phone: 425-551-5712 Email: olga.darlington@mossadams.com
Jennifer Chu, Senior Manager <i>Energy & Utilities Industry Group</i> Over 9 years public accounting experience, serving energy and utilities clients	 Other Reviewer	Phone: 425-551-5708 Email: jennifer.chu@mossadams.com
Sara Allen <i>Energy & Utilities Industry Group</i> Over 4 years public accounting experience serving energy and utilities clients	 Engagement Manager	Phone: 253-284-5262 Email: sara.allen@mossadams.com

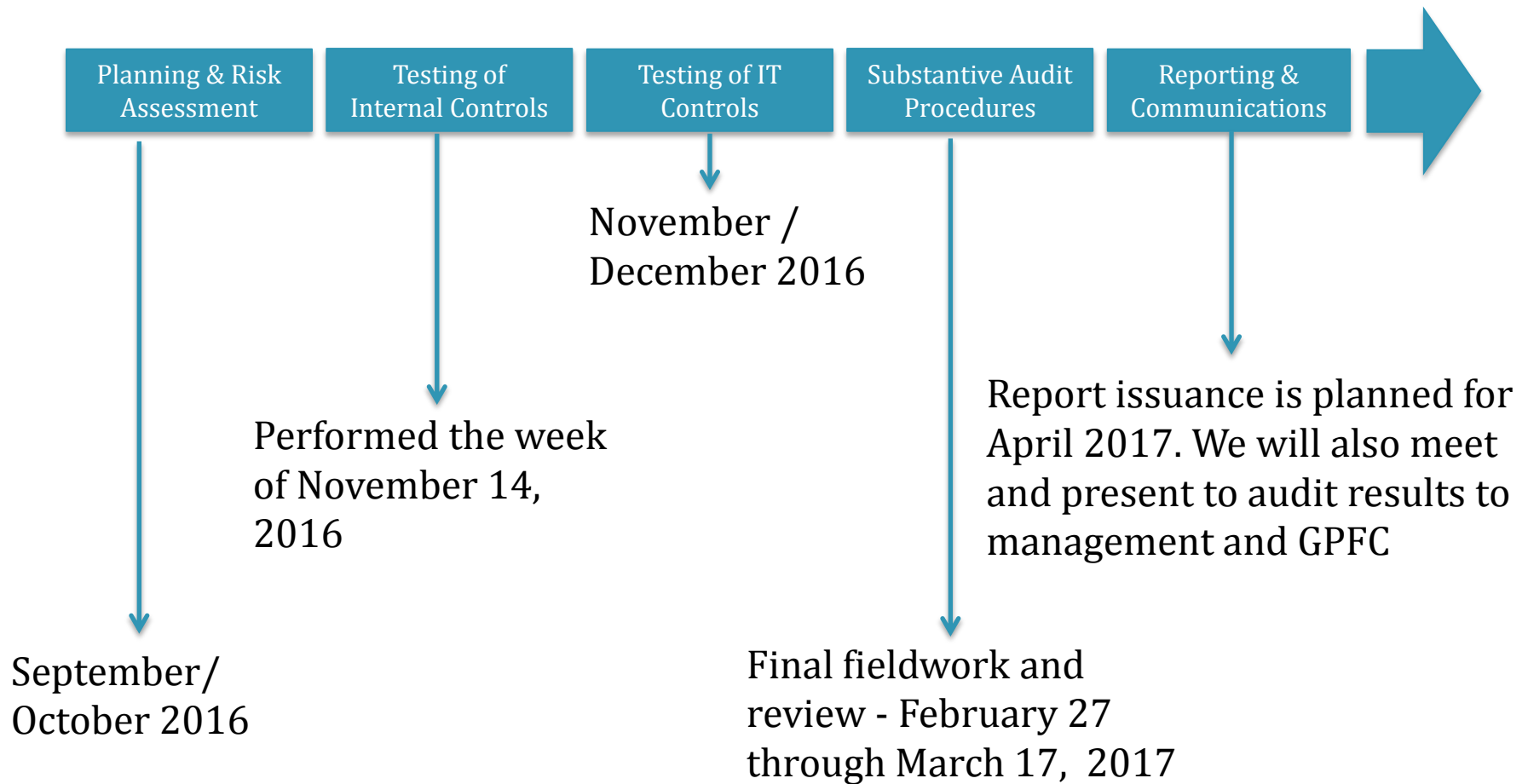
COMMUNICATION

- Direct access to the Committee
 - Establish two-way communication
 - Address questions/concerns
- Planning meeting
- Final Committee presentation – upon completion of the audit

PHASES OF THE AUDIT

- Planning and risk assessment
- Assessment and evaluation of internal controls
 - Including Information Technology general computer and application controls
- Final fieldwork to perform substantive audit procedures
- Reporting and presentation of audit results

AUDIT TIMELINE



SCOPE OF SERVICES

- We have been engaged to audit the City of Tacoma - Power (Light) Division, Water Division, Rail (Beltline), Wastewater/Surface Water Management, and Solid Waste Management Division's financial statements and related notes as of December 31, 2016.
- We have not been engaged to report on whether specific supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.
- Certain procedures will be performed on required supplementary information, but this information will not be subject to audit

OUR RESPONSIBILITIES UNDER AUDITING STANDARDS

- Ensure that you are aware of any significant deficiencies or material weaknesses
- Communicate those matters that have come to our attention as a result of the performance of the audit
- Immediately inform management and GPFC about any information indicating illegal acts or fraud that may have occurred
- Conduct the audit in accordance with generally accepted auditing standards (GAAS)
- Express an opinion on the financial statements based on our audit
- Read other information contained in audited financial statements and consider whether the information is materially consistent with the information in the financial statements (such as bond issuance documents)

MANAGEMENT'S RESPONSIBILITIES

- Establish and maintain adequate records and internal controls over financial reporting
- Prepare financial statements that are materially correct and in compliance with applicable accounting standards
- Provide written representations about management's responsibilities and assertions prior to issuance of our reports
- Make accurate and complete financial statement information available to us
- Make entity personnel available to us
- Inform us about all known or suspected fraud affecting the entity
- Identify and ensure compliance with laws and regulations applicable to the entity's activities

AREAS OF EMPHASIS – RISK ASSESSMENT

- Billings and revenue structure
- Power costs
 - Power trading and derivatives
- Plant assets
 - Job approval, costing, monitoring and capital vs. expense determination
- Net pension liability & related balances
 - Information obtained from TERS, census testing, footnote disclosures

NEW ACCOUNTING STANDARDS

- **GASB Statement No. 72** - *Fair Value Measurement and Application*, effective for reporting periods beginning after June 15, 2015
- **GASB Statement No. 73** - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for fiscal periods beginning after June 15, 2016
- **GASB Statement No. 74** - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for fiscal years beginning after June 15, 2016
- **GASB Statement No. 75** - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for fiscal years beginning after June 15, 2017
- **GASB Statement No. 76** - *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for reporting periods beginning after June 15, 2015
- **GASB Statement No. 77** - *Tax Abatement Disclosures*, effective for reporting periods beginning after December 15, 2015
- **GASB Statement No. 78** - *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, effective for reporting periods beginning after December 15, 2015
- **GASB Statement No. 79** - *Certain External Investment Pools and Pool Participants*, effective for reporting periods beginning after December 15, 2015
- **GASB Statement No. 80** - *Blending Requirements for Certain Component Units*, effective for reporting periods beginning after June 15, 2016

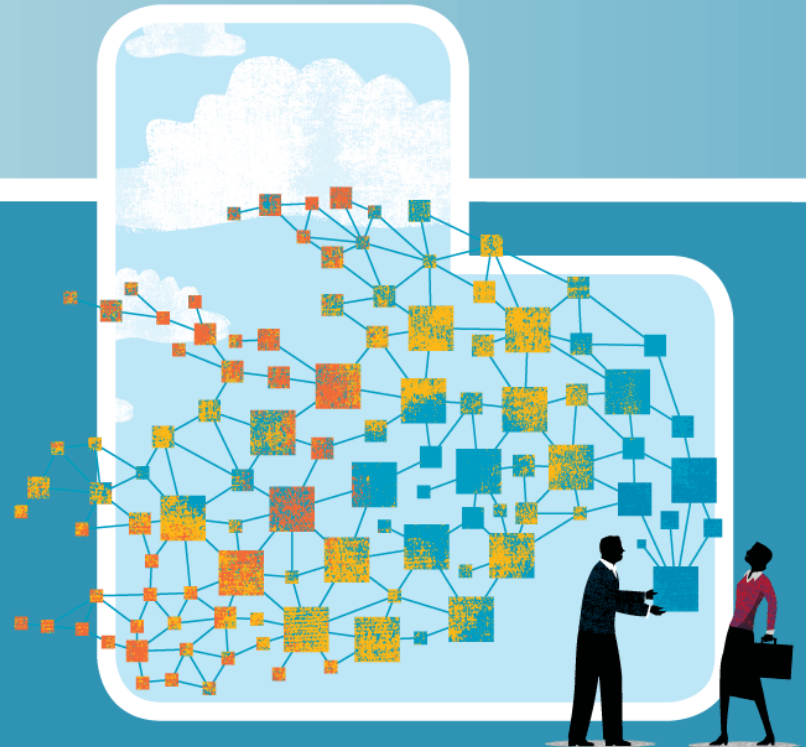
CONTACT INFORMATION:

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Questions? Comments



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