East-West Gateway Council of Governments

Kerber, Eck & Braeckel LLP

An Overview of the Audit

for the Year Ended December 31, 2019

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CPAs and Management Consultants

Summary of Auditors' Results -Financial Statements

- Management's responsibility = preparing the financial statements in accordance with Generally Accepted Accounting Principles (GAAP)
- Auditors' responsibility = expressing an opinion on the fair presentation of the financial statements
- Audit performed in accordance with:
  - Generally Accepted Auditing Standards
  - Government Auditing Standards
  - Uniform Guidance
- Type of auditors' report issued on financial statements: Unmodified opinion

Types of Audit Opinions

- ✓ Unmodified opinion – This is also known as a "clean opinion" meaning that the financial statements appear to be presented fairly in conformity with GAAP.
- Qualified opinion – This means that the auditor has taken exception to certain accounting applications or is unable to establish the potential outcome of a material uncertainty.
- Adverse opinion – This is a type of audit opinion which states that the financial statements do not fairly present the financial position and changes in financial position in conformity with GAAP.

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Summary of Auditors' Results -Financial Statements

- Required supplementary information
  - Management's discussion and analysis

Limited procedures performed
No opinion expressed or assurance provided

- Other information

Fairly stated in relation to the basic financial statements as a whole

- Internal control over financial reporting:
  - No material weaknesses noted.
- Compliance with laws, regulations, contracts and grants:
  - No noncompliance noted.

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Summary of Auditors' Results -Federal Awards

- Federal programs tested as major programs:
  - 97.133 Preparing for Emerging Threats and Hazards
  - 97.067 Homeland Security Grant Program

Type of auditors' report issued on compliance for major programs:
Unmodified opinion

- Internal control over major programs:
  - No material weaknesses identified

- No audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance

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Other Required Communications

Professional standards require that we communicate the following additional information related to our audit:

- Significant accounting policies are described in Note 1 to the financial statements.
- No significant new accounting policies were adopted and the application of existing policies was not changed during 2019.
- No transactions lacked authoritative guidance or consensus.
- All significant transactions have been recognized in the financial statements in the proper period.
- The most sensitive financial statement disclosure is Note 6 which discloses the impact of COVID-19 on the Council being uncertain.
- The financial statement disclosures are neutral, consistent and clear.

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Other Required Communications

- The most significant accounting estimate is the collectability of accounts receivable.
- No significant difficulties encountered in performing the audit.
- No corrected or uncorrected audit adjustments.
- No disagreements with management.
- No management consultations with other independent accountants to obtain "second opinion" regarding accounting or auditing matters.
- We obtained a representation letter from management dated August 7, 2020 certifying that the financial statements are complete and accurate and all material information has been disclosed to us.

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Conclusion

We would like to express our sincere appreciation to Jim Wild, Staci Alvarez, Sandy Lough, and other Council staff for their cooperation and assistance throughout the audit and for the opportunity to serve East-West Gateway Council of Governments.

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