

# San Antonio Early Childhood Education Municipal Development Corporation

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## Audit Overview

May 10, 2022

**Garza/Gonzalez & Associates**  
Certified Public Accountants  
San Antonio, Texas





# Audit Scope

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- › GG&A will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements as of and for the year-ended June 30, 2022.
- › As required by generally accepted accounting principles (**GAAP**), the following Required Supplementary Information (**RSI**) will be subjected to certain limited procedures, but will **not** be audited:
  - Management’s Discussion and Analysis
  - Budgetary Comparison Schedules
- › Report on Schedule of Expenditures of Federal Awards (**SEFA**)



# Audit Objectives

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- › Express an opinion on whether financial statements are fairly presented, in all material respects, in conformity with U.S. GAAP and to report on the fairness of supplementary information.
- › Report on Internal Control over Financial reporting and compliance with provisions of laws, regulations, contracts and award agreements. Noncompliance instances that could have a material effect on the financial statements in accordance with *Governmental Auditing Standards*.
- › Report on Internal control over compliance related to major programs and an opinion on compliance with federal laws that could have a direct and material effect on each major program in accordance with the Single Audit Act and the Uniform Guidance.



# Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

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- › Auditor's Responsibilities
  - Conduct of audit in accordance with:
    - Government Auditing Standards;
    - The Single Audit Act Amendments of 1996; and
    - Provisions of the Uniform Guidance.
  - An evaluation of:
    - Appropriateness of accounting policies used;
    - Reasonableness of significant accounting estimates;
    - Overall presentation of the financial statements, including the disclosures; and
    - Financial statements representation of underlying transactions and events in a manner that achieves fair presentation.



# Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

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- › Auditor's Responsibilities (*continued*)
  - Obtain reasonable assurance about whether Financial statements are free of material misstatement,
  - Conclude if there are conditions or events that raise substantial doubt about the entity's ability to continue existing for a reasonable period of time.



# Audit Procedures: Internal Control

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- › Procedures include:
  - Obtain an understanding of the entity and its environment, including relevant internal controls
  - Identify and assess risks of material misstatement of the financial statements (due to error or fraud)
  - Design and perform audit procedures responsive to those risks
  - Obtain evidence that is sufficient and appropriate to provide a basis for our opinions
- › Audit is not designed to provide assurance on internal control or identify significant deficiencies/material weaknesses. (No such opinion will be expressed)
- › GG&A will communicate internal control related matters noted during the audit to management and those charged with governance.



# Audit Procedures: Compliance

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- › Procedures include:
  - Obtain reasonable assurance on whether financial statements are free of material misstatement; and
  - Test entity's compliance with applicable laws, regulations, contracts, and agreements (including grant agreements).
  
- › GG&A will communicate compliance related matters to management and those charged with governance.



# Responsibilities of Management for the Financial Statements and Single Audit

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- › Management Responsibilities include:
  - Designing, implementing, establishing, and maintaining effective internal controls
  - Providing auditors with access to all information that is relevant to the preparation and fair presentation of the financial statements
  - Adjusting financial statements to correct material misstatements and confirming the effects of any uncorrected misstatements





# Responsibilities of Management for the Financial Statements and Single Audit

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- › Management Responsibilities (*continued*)
  - Design and implement programs and controls to prevent and detect fraud;
  - Informing auditors about all known or suspected fraud that could have a material effect on the entity and its financial statements,
  - Identifying all federal awards received;
  - Understanding and adhering to compliance requirements; and
  - Preparation of the Schedule of Expenditures of Federal Awards (including notes and noncash assistance received).



# Audit Timing

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- › May/June 2022 – Audit Planning and preliminary work
- › September 2022 – Audit Fieldwork
- › November 2022 – Presentation of audit report to the Board of Directors