THE POWER OF BEING UNDERSTOOD

AUDIT I TAX I CONSULTING

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Presented to

THE BOARD OF DIRECTORS OF THE SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORPORATION

May 13, 2021

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Engagement Team and Roles

- RSM (Prime 80%)
  - Marc Sewell, Engagement Partner
  - Kevin Smith, Second Partner Reviewer
  - Ashely Alejos, Audit Manager
  - Elizabeth Lyssy, Senior Auditor
  - Audit Staff
- Schriver, Carmona, & Company (Subcontractor 20%)
  - Chris Carmona, Partner
  - Richard Martinez, Audit Staff

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Coordination with Management

- ***Entrance conference*** – we will meet with management to discuss audit risks, exchange information, agree on timelines and get an understanding of significant changes from previous years.
- ***Planning & Interim Procedures*** – prepare risk assessment, develop our audit plan, perform analytical procedures and prepare various other workpapers (including testing of the federal major program)
- ***Year-End Procedures*** – performance of year-end audit procedures which include testing transactions, confirmations, substantive analytical procedures, testing reconciliations, etc.
- ***Reporting*** – review financial statements prepared by Pre-K 4SA for conformity with GAAP and communicate any changes or questions
- **Exit Conference** – review the results of the audit with management and discuss any potential management letter comments, adjustments, or other items

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Audit Scope and Deliverables

- Financial Statement Audit
  - Basic Financial Statements
  - Notes to Financial Statements
- Compliance Audit
  - Federal Major Program
- Deliverables
  - Independent Auditor's Reports
  - Report on Internal Control Over Financial Reporting
  - Report on Compliance with Federal Major Program
  - Letter on Conduct of Audit
  - Management Letter
  - Data Collection Form

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Timeline

- May 2021 – Meet with Board
- May 2021 – Planning and Interim Audit Procedures
- August/September 2021 – Year-end Fieldwork Audit Procedures
- September 2021 – Financial Reporting
- October/November 2021 – Presentation of the financial audit report and the results of the audit to the Board of Directors

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Required Communications

- **Communication** – We strive to develop an effective two-way communication between the Board of Directors and RSM to understand audit matters and develop a constructive working relationship.
- **Independence** – Firm has policies and procedures to ensure RSM remains independent (i.e. no conflicts of interest) and to comply with professional independence standards.
- **Engagement Objectives** – The scope of the audit is to determine that the financial statements are fairly presented in conformity with GAAP .
- **Audit Approach** – We obtain an understanding of Pre-K 4 SA's business operations to effectively develop a financial reporting risk assessment and audit plan.
- **Materiality** – The auditor's allowance for those errors and corrections detected and also those not detected as a result of audit procedures.

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Other Items

- Assessing the impact of the Ready to Work Program on the financial statements and financial statement format of the Corporation.

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THANK YOU FOR YOUR TIME AND ATTENTION

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QUESTIONS AND ANSWERS?

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