



Reporting and insights from 2021 audit: Gainesville Regional Utilities

September 30, 2021



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Audit Discussion

Agenda

Audit Results

Required communication to Governing Body

Impact of future standards

Discussion

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Gainesville Regional Utilities' internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America
 - Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by Government Auditing Standards
- Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.



Planned scope and timing

Audit focus

Based on our understanding of the Gainesville Regional Utilities' and the environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards, none in the current year

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Gainesville Regional Utilities' current year results.

Key areas of focus and significant findings

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Regulatory accounting	Inventory and fuel
Net position calculations	Financial reporting and required disclosures	

Audit Approach and Results

Audit performed in accordance with *Generally Accepted Auditing Standards*

Audit objective – reasonable assurance that financial statements are free from material misstatement

Financial statements of GRU received an *Unmodified Opinion*

There were no material weaknesses or significant deficiencies in controls

Auditor communication to those charged with governance

**Auditor
responsibility &
independence**

**Board
responsibility**

**Accounting
policies and
estimates**

**Baker Tilly agrees with GRU's
accounting policies and disclosures**

**Audit
adjustments**

No audit findings or concerns

ACCOUNTING CHANGES RELEVANT TO GAINESVILLE REGIONAL UTILITIES

Future accounting standards update

GASB Statement Number	Description	Potentially Impacts You	Effective Date
87	Leases	☑	9/30/22
89	Accounting for Interest Incurred before the End of a Construction Period	☑	9/30/22
91	Conduit Debt		9/30/22
92	Omnibus 2020		9/30/22
93	Replacement of Interfund Bank Offered Rates	☑	9/30/22
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	☑	9/30/23
96	Subscription-Based Information Technology Arrangements	☑	9/30/23
97	Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	☑	9/30/22



Audit committee resources

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