

Rochester Public Utilities  
Board of Directors  
Report on December 31, 2023  
Financial Audit

Presented by:  
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Partner  
April 30, 2024



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## Audit presentation topics

- > Audit overview
- > Internal control communication
- > Auditor Communication with Those Charged with Governance
- > Questions



## Audit overview

- > Audit was conducted smoothly with no major snags or difficulties.
- > Management and staff were cooperative and readily available.
- > Audit schedule was maintained and communication between management and auditors was good.
- > Two weeks of fieldwork were conducted (one half week of preliminary and one week of final).
- > Last day of fieldwork was February 23, 2024.

## Audit overview

- > Audit performed in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*.
- > Audit is based on assessment of control risk in key business process areas. Below are several key areas of review:
  - Cash and investments
  - Assets under construction/plant in service/inventory
  - Unbilled revenues/accounts receivable/revenue recognition
  - Test of controls over payroll, disbursements and IT
  - Deferred charges (service territory payments)
  - GASB 68 pension liability
  - Debt service
  - GASB 87 lease receivable
  - GASB 96 SBITAs
  - Analytical review of statement of net position and statement of revenues, expenses and changes in net position
  - Sensitive estimates
  - Minnesota Legal Compliance Audit Guide



## Audit overview

- > Audit objective – obtain reasonable assurance that financial statements are free from material misstatement.
- > Financial statements received an *Unmodified Opinion* (*clean opinion*)



## Internal control communication

AU-C Section 265

*Communicating Internal Control Related Matters Identified in an Audit*

Material weaknesses noted in RPU's internal control:

> None noted

# Auditor Communication with Those Charged with Governance

## *Significant Findings from the Audit*

Area to be Communicated	Area to be Communicated
Our responsibility under Auditing Standards Generally Accepted in the United States	Other Information in Documents Containing Audited Financial Statements
Planned Scope and Timing of the Audit	Accounting Policies
Accounting Estimates	Financial Statement Disclosures

# Auditor Communication with Those Charged with Governance

## *Significant Findings from the Audit*

Area to be Communicated	Area to be Communicated
Difficulties Encountered in Performing the Audit	Corrected and Uncorrected Misstatements
Consultations with Other Independent Accountants	Disagreements with Management
Auditor Independence	Management Representations
Other Audit Findings or Issues	





## Audit summary

# Thank You!

We appreciate the work performed by RPU's accounting staff and management in preparing for and assisting in the audit!

We would be happy to answer any questions regarding the audit.