

# Madison Metropolitan Sewerage District

2019 Audit Results

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



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# Executive Summary

Results of Professional Services

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# Results of Professional Services

## Audit Adjustments

- None

## New Accounting Standards

- None

## Audit Opinion

- Unmodified Opinion (“clean opinion”)

## Other Matters

- No reported internal control deficiencies

## Subsequent Events

- COVID-19 Global Pandemic
  - Potential financial and operational impacts
  - New accounting standard adoption dates extended



# Your Audit & Financial Statements

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# Overview of Financial Report

- Management's discussion and analysis
- *Auditor's Opinion*
- Financial statements
- Footnotes
- Required supplementary information



# Audit Process Summary

- Preliminary Fieldwork
  - Document and test internal controls
- Final Fieldwork
  - Testing of Account Balances
  - Risk based approach focusing on largest balances and transactions
  - Testing of Federal and State Programs, if any
- Reporting



# Your Audit Results

- Opinion
  - Unmodified Opinion (“clean opinion”)
  - Highest level of assurance auditors can provide that statements are free from material misstatement
- Internal Control Deficiencies
  - No Material Weakness or Significant Deficiencies identified



# Your Audit Results (Continued)

- Uncorrected misstatements
  - Accrual of capital assets ordered in 2019, but received in 2020
  - Custodial Fund-recognition of prior year expense
- Governance Communications
  - Qualitative aspects of accounting practices
    - ◇ Accounting policies
    - ◇ Communications with management
    - ◇ Accounting estimates
      - Other Post-Employment Benefits, Pension, and Depreciation



# Your Audit Results (Continued)

- Governance Communications (continued)
  - Audit Adjustments
    - ◇ None
  - Other matters
    - ◇ None
  - Management representations



# Your District

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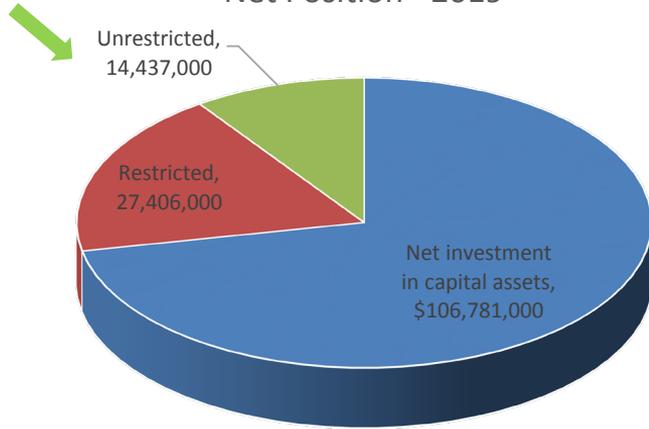
# District Summary - Net Position

	<u>2019</u>	<u>2018</u>
Cash and investments	\$ 39,519,000	\$ 41,895,000
Receivables	10,359,000	9,607,000
Capital assets	227,943,000	226,548,000
Pension asset	-	1,582,000
Other	<u>1,890,000</u>	<u>2,443,000</u>
Total assets	<u>279,711,000</u>	<u>282,075,000</u>
Deferred outflows - pension and OPEB	<u>5,620,000</u>	<u>3,301,000</u>
Payables, accrued expenses and other liabilities	4,326,000	5,006,000
Long-term debt	119,048,000	127,257,000
Pension liability	1,913,000	-
OPEB liability	4,519,000	4,532,000
Compensated absences	<u>2,739,000</u>	<u>2,753,000</u>
Total liabilities	<u>132,545,000</u>	<u>139,548,000</u>
Deferred inflows - pension and OPEB	<u>4,162,000</u>	<u>4,651,000</u>
Net position	<u>\$ 148,624,000</u>	<u>\$ 141,177,000</u>

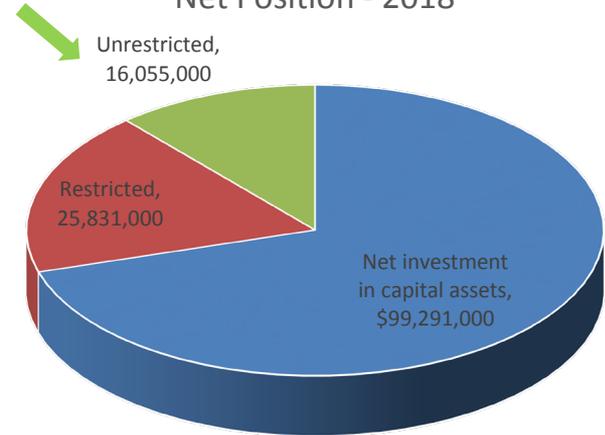


# District Summary - Net Position (Continued)

### Net Position - 2019

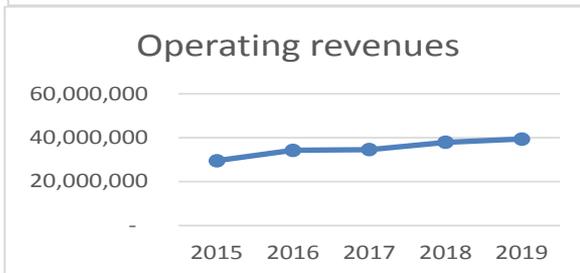
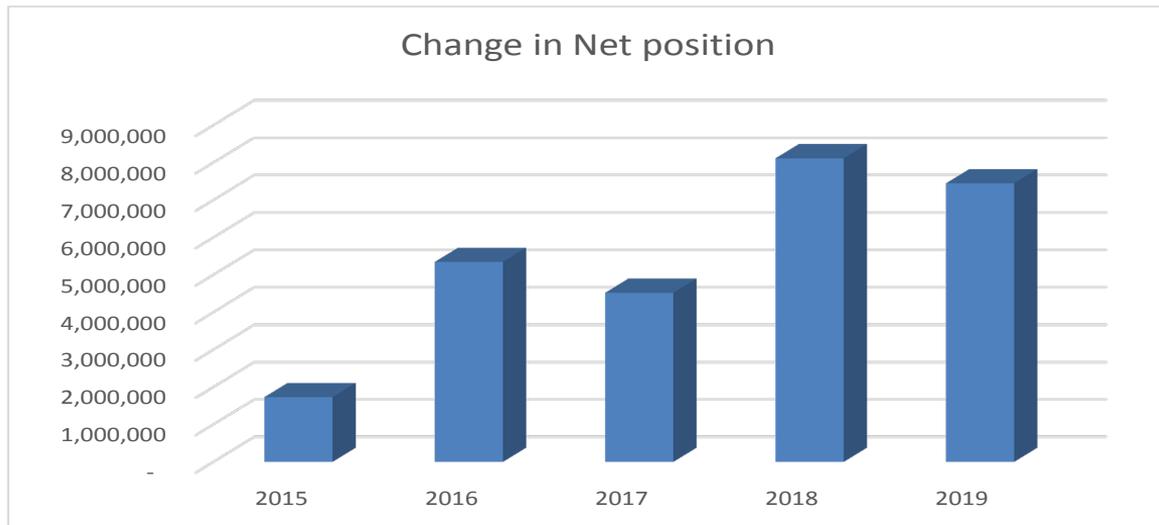


### Net Position - 2018





# District Summary - Operations





# District Summary - Cash Flows

	<u>2018</u>	<u>2018</u>
Operating activities	\$ 16,376,000	\$ 15,460,000
Noncapital financing activities	368,000	342,000
Capital and related activities	(19,925,000)	(14,761,000)
Investing activities	<u>4,374,000</u>	<u>894,000</u>
Increase (decrease) in cash	1,193,000	1,935,000
Cash - beginning of year	<u>33,389,000</u>	<u>31,454,000</u>
Cash - end of year	<u>\$ 34,582,000</u>	<u>\$ 33,389,000</u>
Cash and cash equivalents	\$ 34,582,000	\$ 33,389,000
Investments	<u>4,937,000</u>	<u>8,506,000</u>
	<u>\$ 39,519,000</u>	<u>\$ 41,895,000</u>



# Fiduciary Fund Summary – Yahara WINS

## Net Position - Fiduciary Fund

	<u>2019</u>	<u>2018</u>
Cash and investments	\$ 1,866,000	\$ 1,398,000
Receivables	<u>1,482,000</u>	<u>1,507,000</u>
Total assets	<u>3,348,000</u>	<u>2,905,000</u>
Current Liabilities	<u>2,220,000</u>	<u>1,619,000</u>
Net position - restricted	<u>\$ 1,128,000</u>	<u>\$ 1,286,000</u>

## Operations - Fiduciary Fund

	<u>2019</u>	<u>2018</u>
Contributions	\$ 1,428,000	\$ 1,553,000
Investment earnings	<u>4,000</u>	<u>5,000</u>
Total additions	<u>1,432,000</u>	<u>1,558,000</u>
Deductions	<u>1,590,000</u>	<u>1,173,000</u>
Net increase in fiduciary net position	<u>\$ (158,000)</u>	<u>\$ 385,000</u>



# Closing

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## Final Thoughts

- Records maintained timely and accurately
- Full cooperation from District Staff

Questions?



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# Create Opportunities

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create opportunities —  
for our clients, our people,  
and our communities.