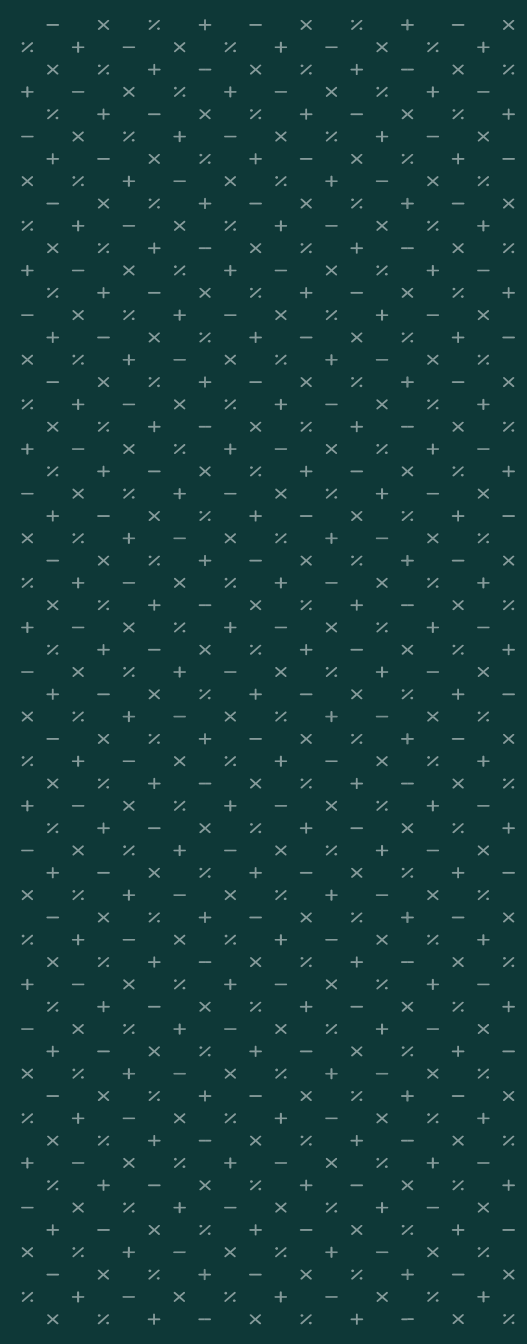




21st Century Public Academy

2018 Audit Results

Discussion with the Governance Council



Agenda

- **Matters Required to be Communicated with Those Charged with Governance**
- **Findings to be Communicated Under the New Mexico State Audit Rule**



Scope of Services

We have performed the following services for 21st Century Public Academy and Cutler Charitable Foundation:

- Annual group audit financial statement audit for the year ending June 30, 2018
- Non-Attest Service
 - Assist management with drafting the financial statements for the year ending June 30, 2018

OPINION-Disclaimer/Going concern



Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

As stated in our engagement letter dated August 6, 2018 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.



Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Our responsibility is to plan and perform the audit in accordance with generally accepted auditing standards issued by the AICPA and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements as a whole are free from material misstatement.



Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

Our audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we considered the entity's internal control solely for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.



Matters to Be Communicated to the Governing Body

Our responsibility with regard to the financial statement audit under U.S. auditing standards:

We are also responsible for communicating significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
<p>Significant Accounting Practices:</p> <p>Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures</p>	<p>The quality of the Company's accounting policies and underlying estimates are discussed throughout this presentation. There were no changes in the Company's approach to applying the critical accounting policies.</p> <p>Adoption of new accounting policy – GASB 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i></p> <ul style="list-style-type: none">• Impact:<ul style="list-style-type: none">• Decrease in 6/30/17 net position: \$1,475,453• Decrease in 6/30/18 net position: \$49,383• Additional FY 2018 expense: \$26,615



Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
Significant Difficulties encountered during the audit	Lack of proper documentation, could not obtain reasonableness over the balances.



Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
<p>Disagreements With Management:</p> <p>Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Company's financial statements, or the auditor's report.</p>	<p>There were no disagreements with management.</p>



Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
<p>Material, corrected misstatements</p> <p>Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.</p>	<p>Adjustments were made to the financials. In addition, we had adjustments that were passed on.</p>



Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
<p data-bbox="268 478 1144 521">Representations requested of management</p> <p data-bbox="268 581 1173 821">We will be requesting certain representations from management to be included in the management representation letter as we near issuance of the financial statements to the State Auditor's Office.</p>	<p data-bbox="1247 478 1727 521">Dated November 5, 2018</p>



Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
Management's consultation with other accountants	We are not aware of any consultations.



Matters to Be Communicated to the Governing Body

Matters to be Communicated	Moss Adams Comments
Significant issues arising from the audit that were discussed, or the subject of correspondence with management	Significant issues included the findings and the amounts posted in the accruals and reconciliations.



Findings to be Reported Under the New Mexico State Audit Rule

We identified 27 findings related to the school

We identified 3 findings related to the foundation





**THANK
YOU**

