



OFFICE OF THE
STATE AUDITOR

TO: Roger Pulsipher, Chair, Audit Committee
Bridgerland Applied Technology College

FROM: Jason Allen, Senior Audit Manager, and Chantel Wixon, Audit Senior
Office of the State Auditor

DATE: 01/08/2018

SUBJECT: **Required Communications - 2017 Audit of Bridgerland ATC**

AREA	COMMENTS
<p><u>Auditor's Responsibility under Generally Accepted Auditing Standards</u></p> <p>As stated in our engagement letter dated September 06, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p>	<p>We have issued an unmodified opinion on Bridgerland Applied Technology College's financial statements for the year ended June 30, 2017.</p>
<p><u>Other Information in Documents Containing Audited Financial Statements</u></p> <p>Our financial statement audit opinion only relates to the financial statements and accompanying notes. However, we also reviewed other information, such as Management's Discussion and Analysis, and performed limited procedures which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We have not expressed an opinion or provided any assurance on the information because the limited procedures did not provide us with sufficient evidence to express an opinion or provide any assurance.</p>	<p>Management's Discussion and Analysis and required supplementary information regarding pensions were reviewed and are consistent with the audited financial statements.</p>

AREA	COMMENTS
<p><u>Planned Scope and Timing of the Audit</u> We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter.</p>	<p>See engagement letter dated September 06, 2017.</p>
<p><u>Qualitative Aspects of Accounting Practices</u> Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advise management about the appropriateness of accounting policies and their application.</p>	<p>We noted no transactions entered into by the College during the year for which there is a lack of authoritative guidance or consensus.</p>
<p><u>Accounting Estimates</u> Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.</p>	<p>The most sensitive estimate affecting the College’s financial statements was</p> <ul style="list-style-type: none"> • The estimate of the share of the net pension liability for defined benefit plans sponsored by the Utah Retirement Systems. <p>We evaluated the procedures, key factors, and assumptions used to develop the estimates and determined that they were reasonable in relation to the financial statements taken as a whole.</p>
<p><u>Disclosures</u> The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are noteworthy because of their significance to financial statement users.</p>	<p>The most sensitive disclosure affecting the financial statements was</p> <ul style="list-style-type: none"> • The defined benefit pension plan disclosure required by GASB Statement 68 (See Note 8 – Retirement Plans).
<p><u>Management Representations</u> We requested certain representations from management.</p>	<p>These representations were included in the management representation letter dated December 18, 2017. A copy of the representation letter from management is attached.</p>

AREA	COMMENTS
<p><u>Difficulties Encountered in Performing the Audit</u> Professional standards require us to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><u>Disagreements with Management</u> Professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report.</p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><u>Management Consultations with Other Independent Accountants</u> In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.</p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p><u>Corrected and Uncorrected Misstatements</u> Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p>	<p>There were no audit adjustments proposed during the audit of Bridgerland Applied Technology College.</p>
<p><u>Other Audit Findings or Issues</u> We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. These discussions occurred in the normal course of our professional relationship.</p>	<p><i>Our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (Yellow Book Report) was dated December 18, 2017.</i></p>

This information is intended solely for the use of the Board/Audit Committee and management of the College and is not suitable for any other purpose.