



OFFICE OF THE
UTAH STATE AUDITOR

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

FROM: Jason Allen, Audit Supervisor, and Travis Kartchner, Audit Senior
Office of the Utah State Auditor

DATE: 02/27/2017

SUBJECT: Required Communications - 2016 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 October 13, 2016, 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, 2016.</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 review other information, such as Management's Discussion and Analysis and other required supplementary information, and perform limited procedures which consist 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 other information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.</p>	<p>Management's Discussion and Analysis and other required supplementary information regarding pension plan contributions and proportionate share was reviewed and is 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 October 13, 2016</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 will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the College are described in Note 1 to the financial statements.</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 financial statements was the net pension liability. The Utah Retirement Systems measures this liability on behalf of each entity with employees that participate in a defined benefit pension plan administered by the Utah Retirement Systems. The measurement of this liability is based on an actuarial study performed by the Utah Retirement Systems.</p> <p>The accuracy of the net pension liability is contingent upon the URS receiving accurate information from the participating employers. As part of our audit, we reviewed the College’s process for reporting accurate information to the URS.</p> <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>

AREA	COMMENTS
<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—Pension Plans and Retirement Benefits.)
<p><u>Management Representations</u> We requested certain representations from management.</p>	<p>These representations were included in the management representation letter dated December 1, 2016. A copy of the letter from management is attached.</p>
<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, our 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 material misstatements noted during the course of our audit.</p>

AREA	COMMENTS
<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 (our “Yellow-book Report”) was dated December 1, 2016</i></p>

This information is intended solely for the use of the Board/Audit Committee and management of the College and is not intended to be and should not be used by anyone other than these specified parties.