

Contact: Andrea Anania

STATE AUDIT REPORTS

Action Requested: Receive the following reports:

- ▶ State of Iowa Reports – FY 2017
 - ◆ Comprehensive Annual Financial Report https://auditor.iowa.gov/sites/default/files/audit_reports/1860-8990-B000.pdf
 - ◆ Single Audit Report https://auditor.iowa.gov/sites/default/files/audit_reports/1860-8990-A000.pdf

- ▶ University Financial Reports – FY 2017
 - ◆ University of Iowa https://auditor.iowa.gov/sites/default/files/audit_reports/1861-8010-B000_0.pdf
 - ◆ Iowa State University https://auditor.iowa.gov/sites/default/files/audit_reports/1861-8020-B000.pdf
 - ◆ University of Northern Iowa https://auditor.iowa.gov/sites/default/files/audit_reports/1861-8030-B000.pdf

Executive Summary: The Iowa Code requires the Auditor of State to conduct audits on all state entities, including the Regents institutions and the Board Office. The Comprehensive Annual Financial Report (CAFR) and the State Audit Report (SAR) are released annually and contain information regarding the five Regents institutions, the Board Office, and the rest of state government. The Auditor of State also provides an opinion on the university financial reports, which are issued annually.

Auditor of State Mary Mosiman is scheduled to make brief comments on these reports.

STATE OF IOWA REPORTS

- ▶ The CAFR provides a broad perspective of the state of Iowa's financial activity with a general overview of the condition of the state, audited financial statements of the state, and a statistical section containing financial and demographic information.
 - ◆ The financial statements were prepared in accordance with governmental accounting principles generally accepted in the United States. The report noted that the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Iowa as of June 30, 2017, and the respective changes in its financial position and, where applicable, its cash flows for the year then ended.
 - ◆ The State's combined net position (governmental and business-type activities) as of June 30, 2017, totaled \$16,674.7 million, an increase of 3.7% from the \$16,072.4 million as of June 30, 2016.

 - ▶ The SAR, required by federal law, covers the disbursement of federal funds by all state agencies, institutions, and universities, as well as a review of internal controls, compliance with federal laws and regulations, and follow-up on prior year federal comments. No findings were reported for any of the Regents institutions or the Board Office.
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UNIVERSITY FINANCIAL REPORTS

Each report includes the Auditor of State's opinion, which may be found near the beginning of each report and an internal control letter at the end of each report. Auditors:

- ▶ Reported the financial statements present fairly in all material respects, the financial positions as of June 30, 2017;
- ▶ Did not identify any deficiencies in internal control considered to be material weaknesses;

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis; and

- ▶ Reported no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, auditors noted certain immaterial instances of non-compliance or other matters at each university which will be reported to management in separate departmental reports.
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