



San Francisco Health Service System



Year End 2023 Audit Results Presentation

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November 9, 2023

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San Francisco Health Service System Audit Results

Audit results

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Opinion

We have audited the financial statements of the San Francisco Health Service System Other Employee Benefit Trust Fund (the Trust), managed by Health Service System (the System), a department of the City and County of San Francisco, California (the City), as of and for the years ended June 30, 2023, and 2022, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above, present fairly, in all material respects, the fiduciary net position of the Trust as of June 30, 2023 and 2022, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Summary

- Unmodified opinion
- Issued report October 31, 2023
- Prepared by management in accordance with GAAP
- Audited in accordance with GAAS and GAS
- RSI presented in accordance with GASB requirements

Internal controls and compliance

Report on the Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control...

..Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Summary

- Issued report October 31, 2023
- No material weaknesses
- No significant deficiencies
- No material noncompliance
- No assurance

Required communications

Required communications

Qualitative Aspects of Accounting

Significant Accounting Policies

- Note 2 to financial statements
- No new policies
- No significant changes
- No lack of authoritative guidance

Significant Estimates and Disclosures

- Reserves for claims – based on actuarial calculations of claims reported and includes assumptions of claims incurred but not reported. We engaged an independent actuary to review the calculations for reasonableness and adherence to ASOPs. No significant discrepancies between the work of our actuary and Aon.

Other Matters

Significant Difficulties

- Nothing to report

Disagreements with Management

- Nothing to report

Management Consultations

- Nothing to report

Concluding the Audit

Uncorrected and Corrected Misstatements

- No uncorrected misstatements
- No material corrected misstatements

Management Representations

- Received written representations

Questions?

MGGO.