

# Office of Management & Finance

## Bureau of Revenue and Financial Services

### THE CITY OF PORTLAND'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FY2021-22

Presented by

Ronald Vaught, Controller

Kevin Sanders, Financial Reporting Supervisor

Sheila Craig, Grants Management Manager



# Presentation Agenda

Present the City's Annual Comprehensive Financial Report (ACFR)  
for FY 2021-22

Present the City's Single Audit for FY 2021-22

Moss Adams presentation of annual audit

City of Portland, Oregon

# Annual Comprehensive Financial Report

FOR THE  
YEAR ENDED  
JUNE 30,  
2022



# Prepared by

BRFS ACCOUNTING DIVISION



**BRFS** BUREAU OF REVENUE  
AND FINANCIAL  
SERVICES

# Highlights of the FY2021-22 Annual Report

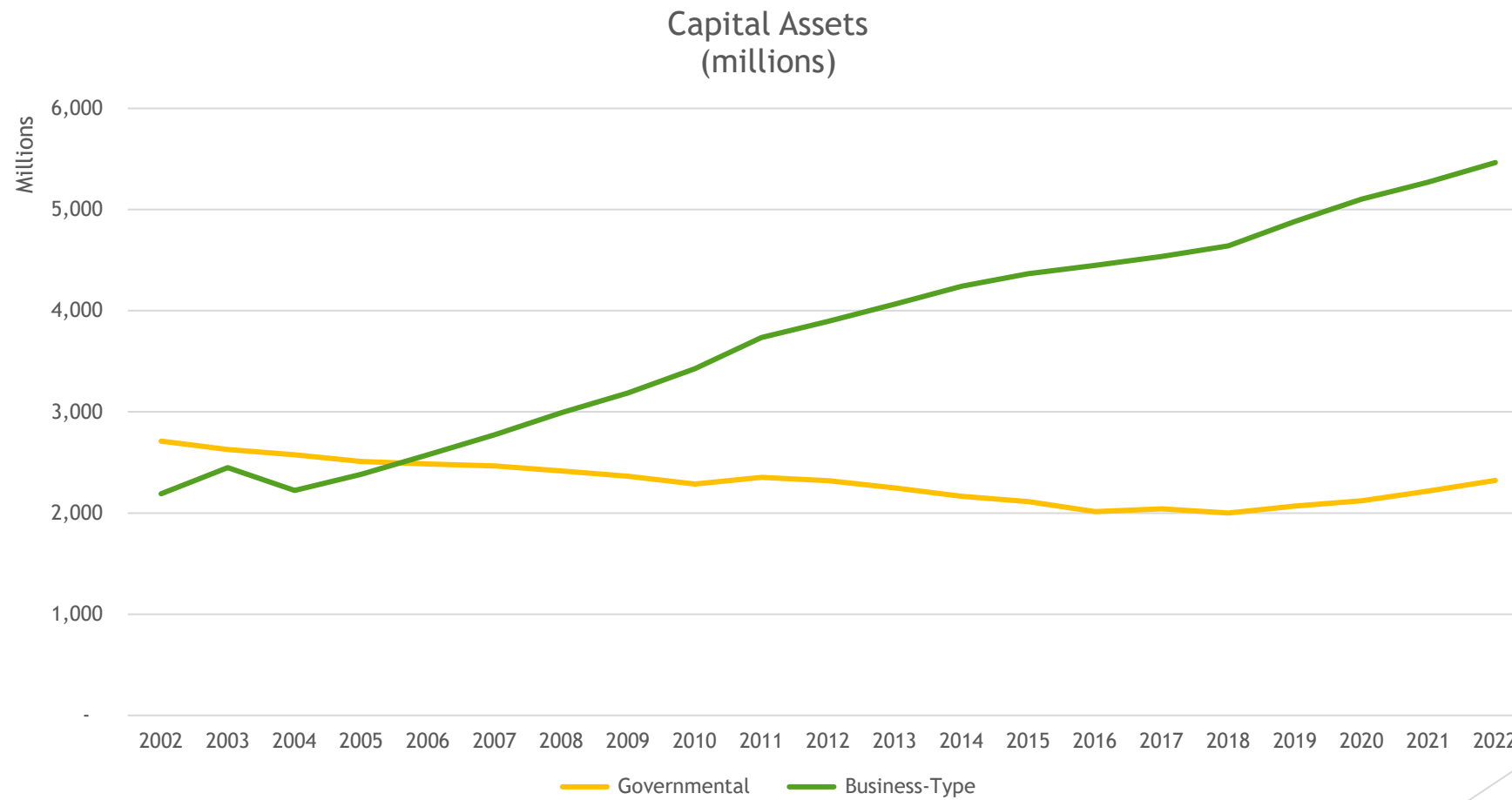
- ▶ External Auditors (Moss Adams) issued an “Unmodified Opinion” on the financial statements
- ▶ ACFR complies with State Law, and generally accepted accounting principles (GAAP)
- ▶ City received the GFOA Award for Excellence in Financial Reporting for the 41<sup>th</sup> consecutive year for the ACFR



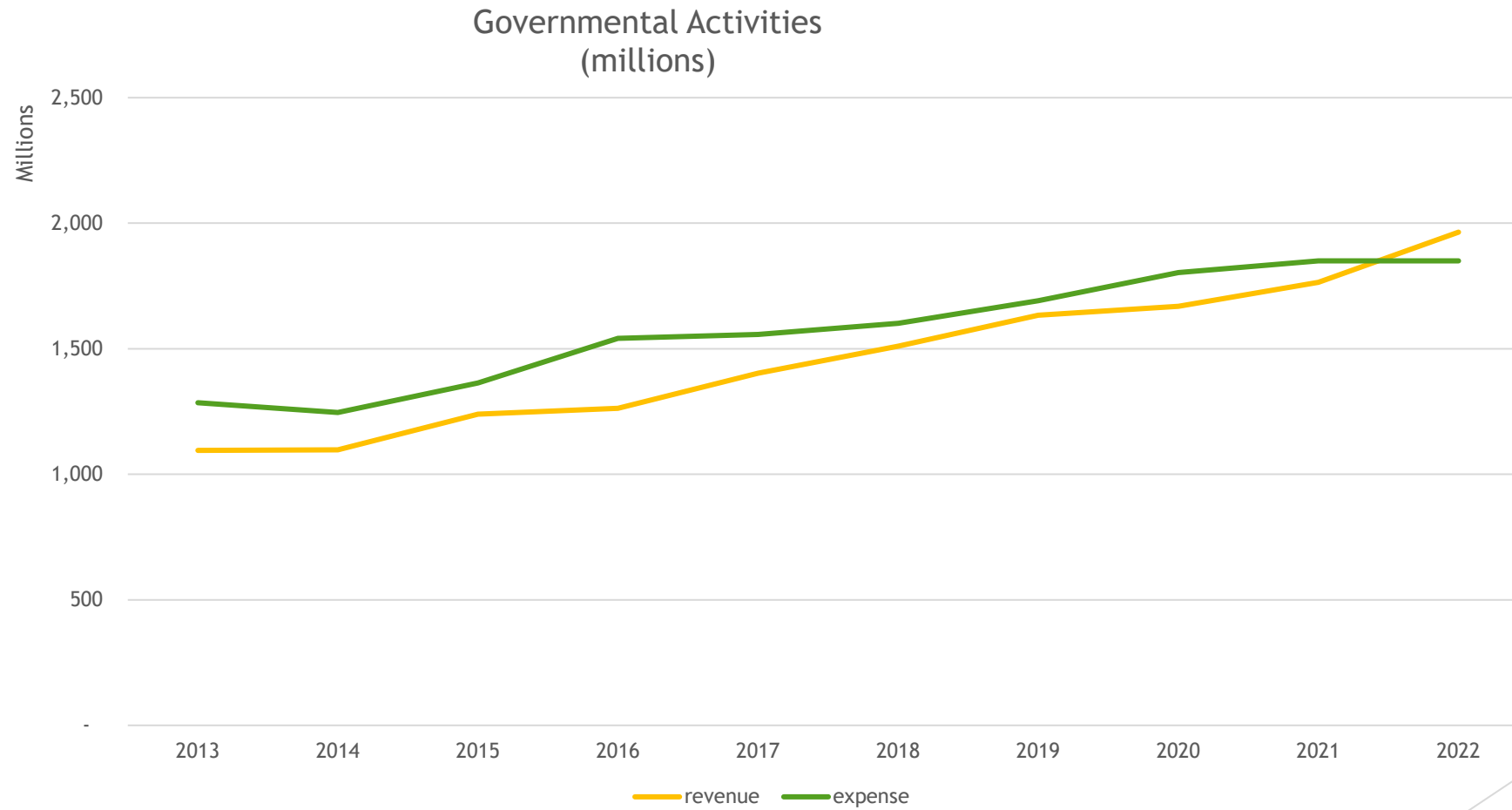
# Government-Wide Net Position

- ▶ The City's net position is improving:
- ▶ Governmental Activities
  - ▶ Fiscal Year 2022      \$(1.7 billion)
  - ▶ Fiscal Year 2021      \$(2.0 billion)
  - ▶ Improvements reflect reduced pension expense, improving revenues, and replaced capital assets in excess to depreciation.
- ▶ Business-Type Activities
  - ▶ Fiscal Year 2022      \$3.6 billion
  - ▶ Fiscal Year 2021      \$3.5 billion
  - ▶ Improvements here also relate to reduced pension expense, improving revenues and increases to capital assets.

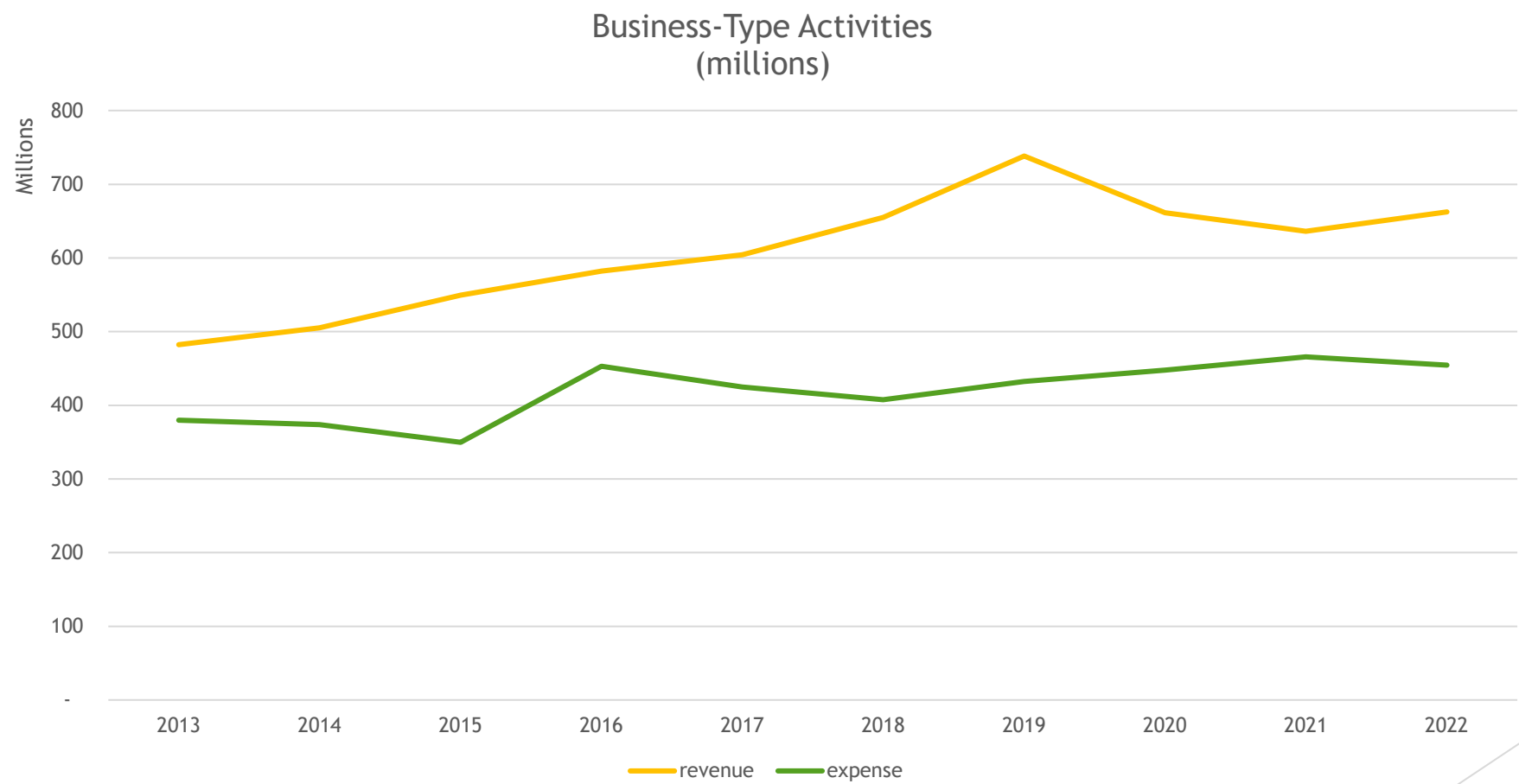
# Capital Assets



# Governmental Activities



# Business-Type Activities





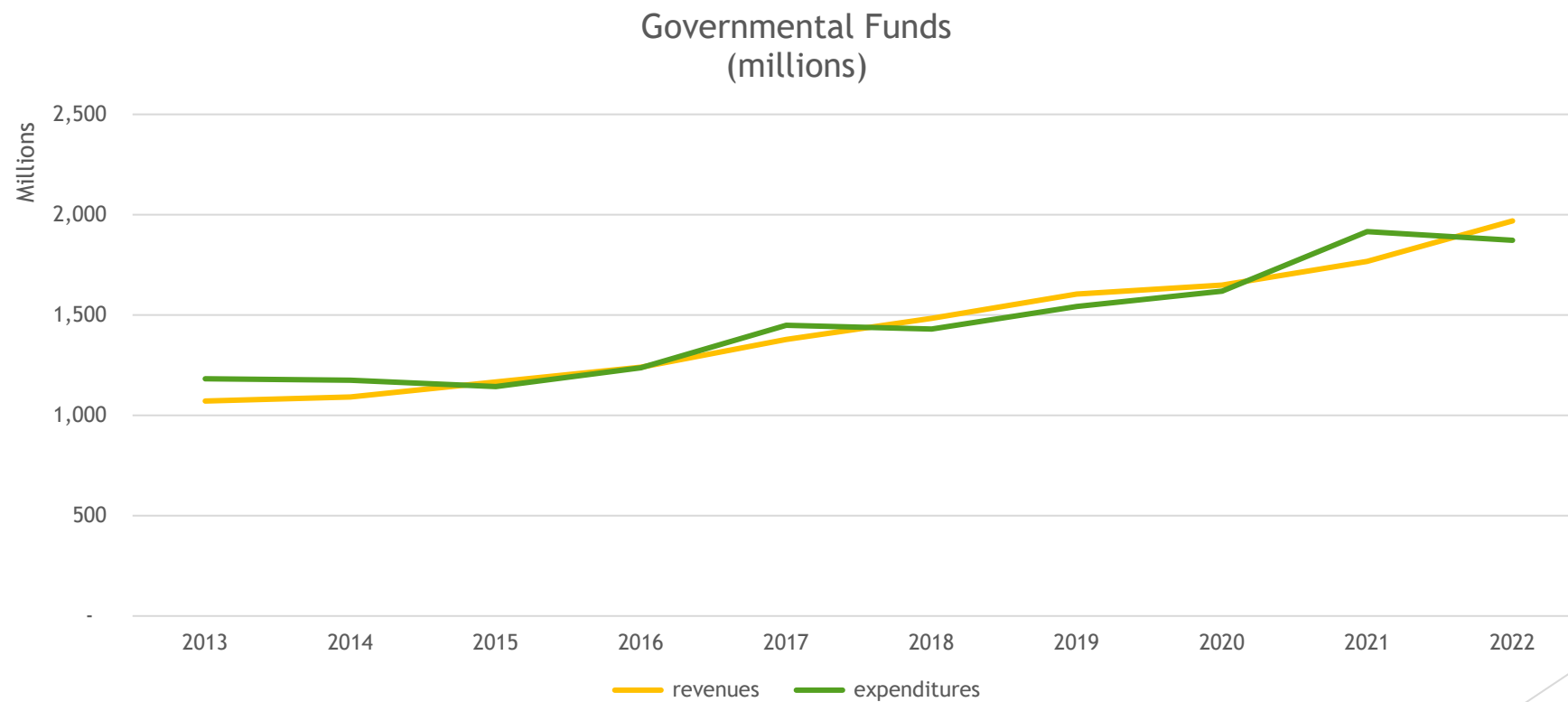
# Government Funds

- ▶ Governmental Funds are made up of:
  - ▶ General Fund
  - ▶ Special Revenue Funds (23)
  - ▶ Debt Service Funds (21)
  - ▶ Capital Projects Funds (5)
  - ▶ Permanent Fund (1)
- ▶ Major Governmental Funds
  - ▶ General Fund
  - ▶ PBOT
  - ▶ Grants

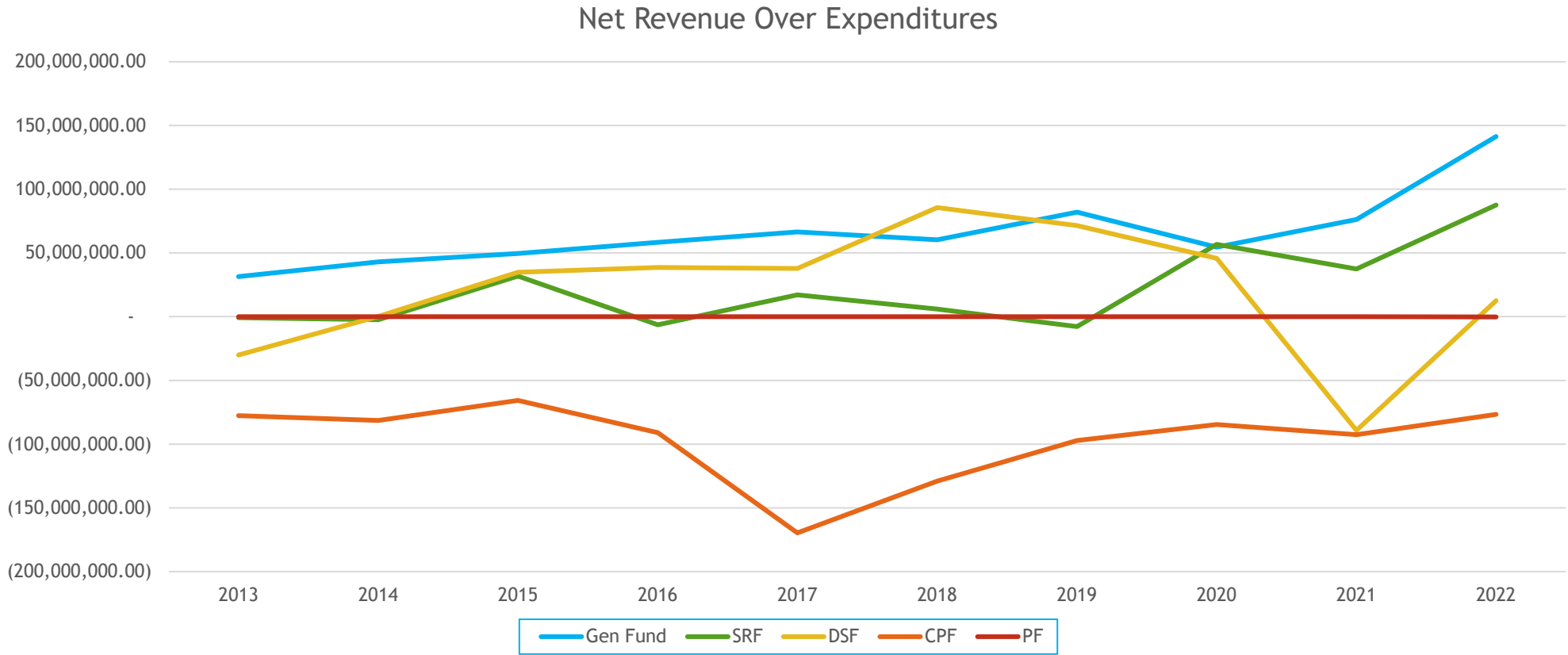
# Governmental Funds

- ▶ Revenues continued to improve for this group of funds
- ▶ Expenditures dropped back
- ▶ Fund balance increased by \$217 million in fiscal year 2022

# Governmental Funds



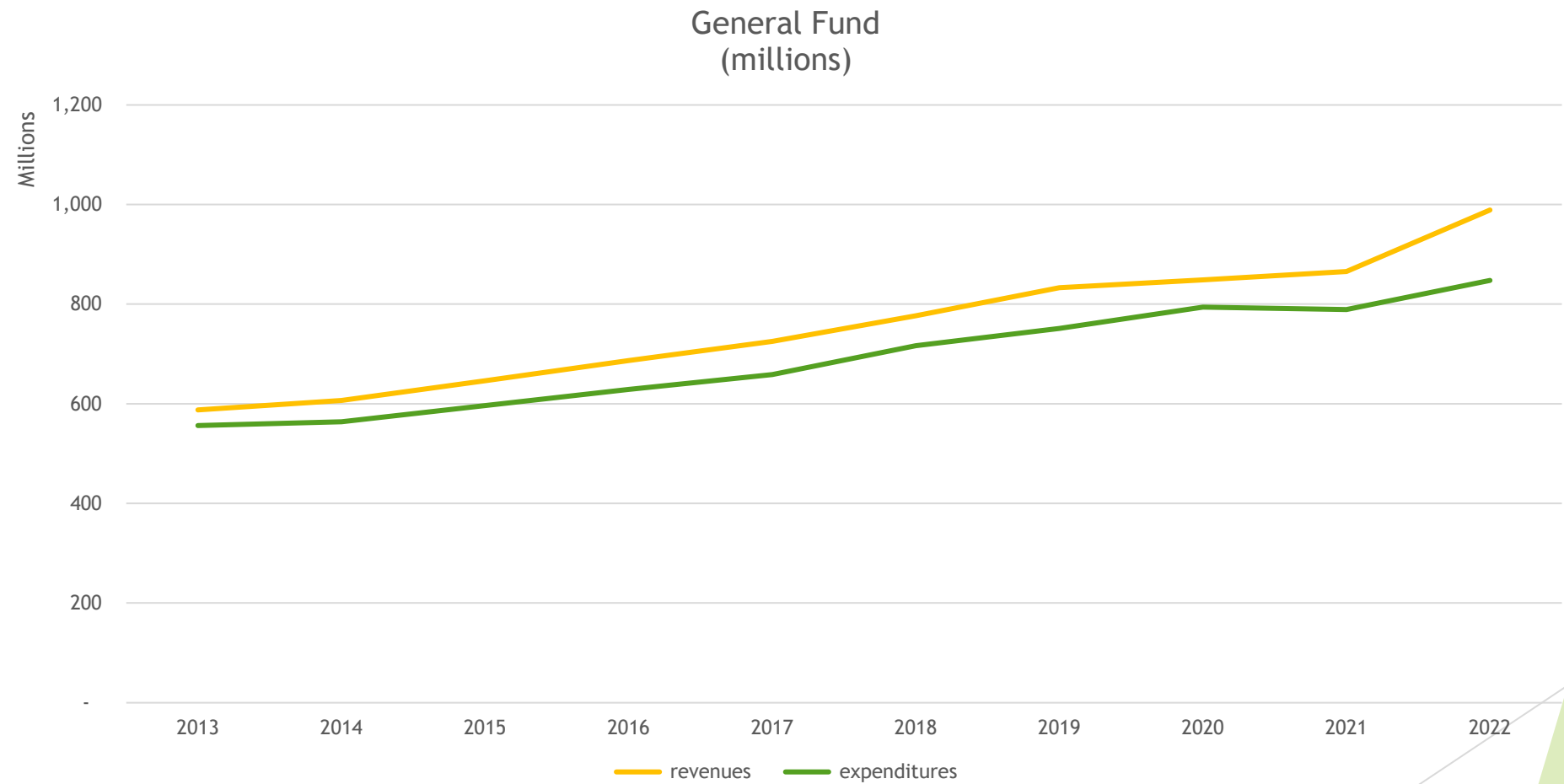
# Governmental Funds



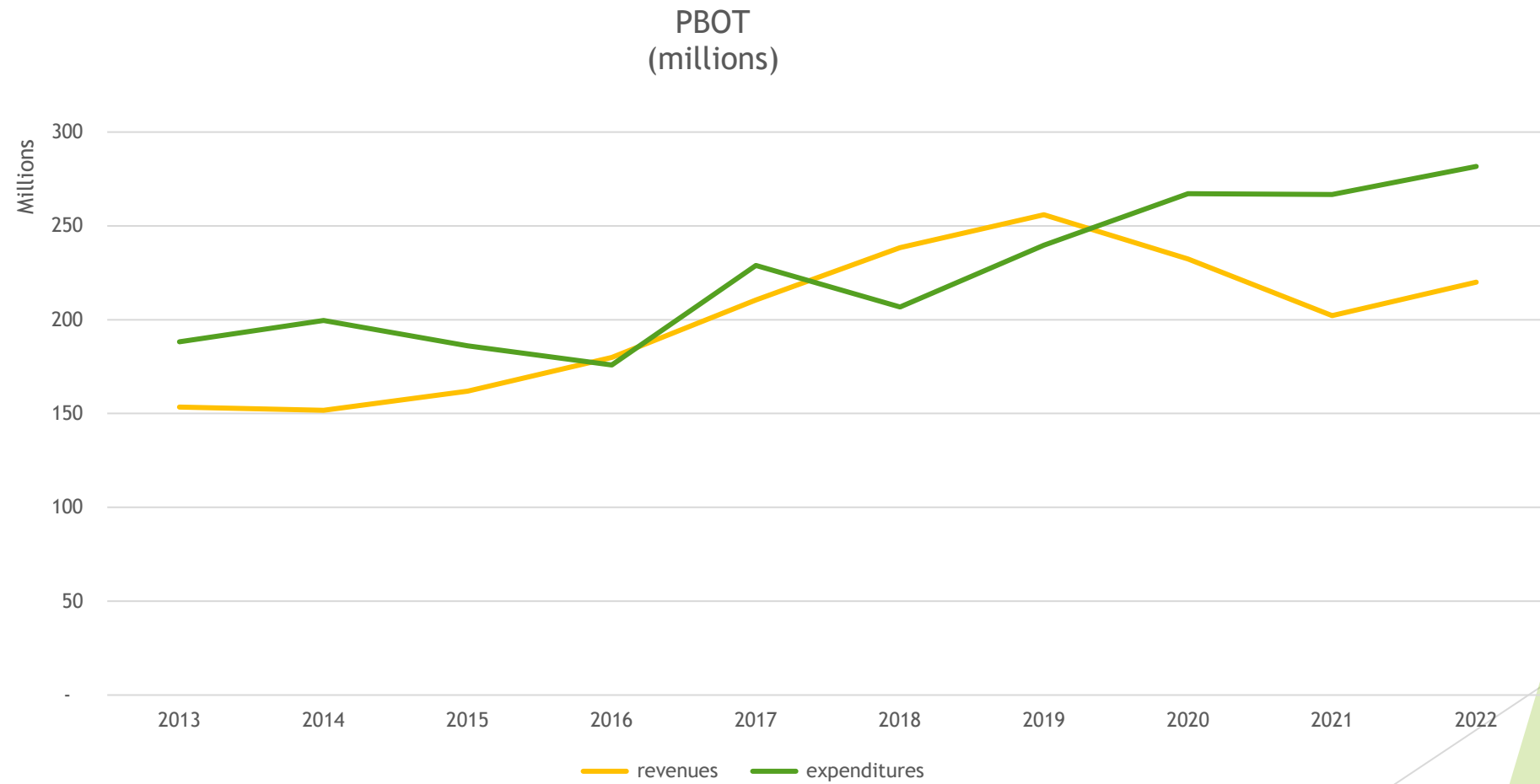
# Governmental Funds - Major Funds

- ▶ General Fund
- ▶ Portland Bureau of Transportation
- ▶ Grants Fund

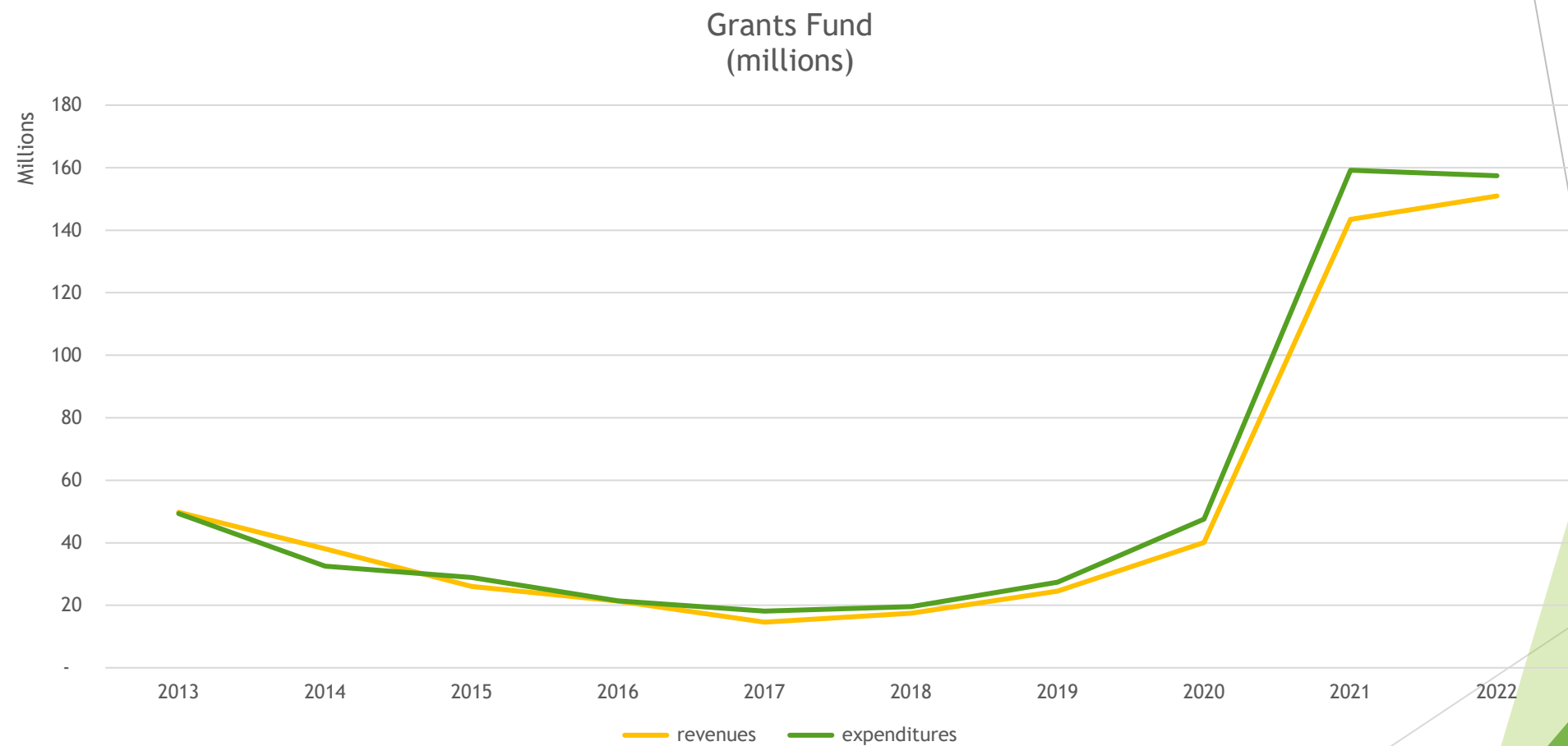
# General Fund



# PBOT



# Grants Fund





# Schedule of Expenditures of Federal Awards (SEFA)

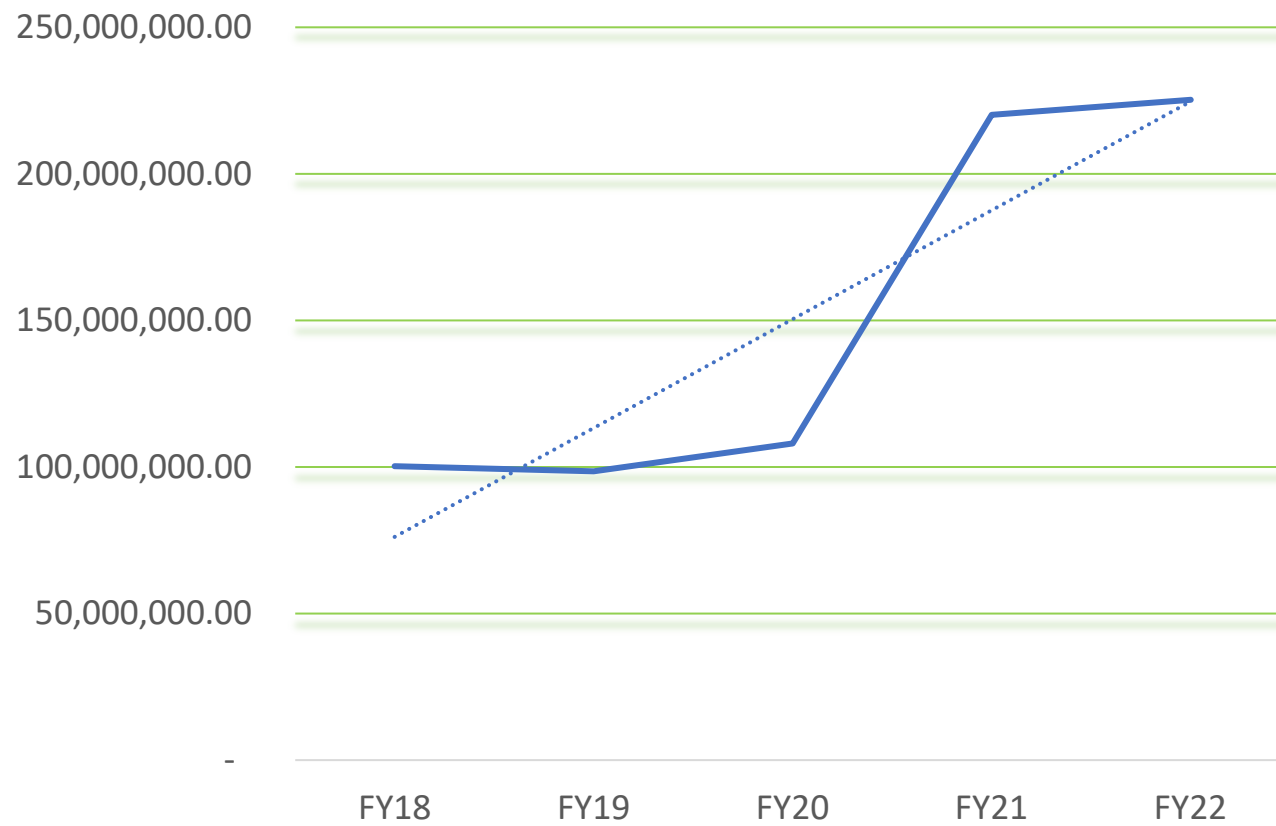
Prepared by

BRFS GRANTS MANAGEMENT DIVISION

# Schedule of Expenditures of Federal Awards

- ▶ Exceeds \$750,000 in federal expenditures
- ▶ \$225 million federal expenditures FY22
- ▶ Five programs were selected for audit review in FY22
  - ▶ Economic Adjustment Assistance, Revolving Loan Fund
  - ▶ Community Development Block Grant
  - ▶ Emergency Rental Assistance Program
  - ▶ Highway Planning and Construction
  - ▶ Coronavirus State and Local Fiscal Recovery Funds

5 Year Schedule of Expenditures of Federal Awards



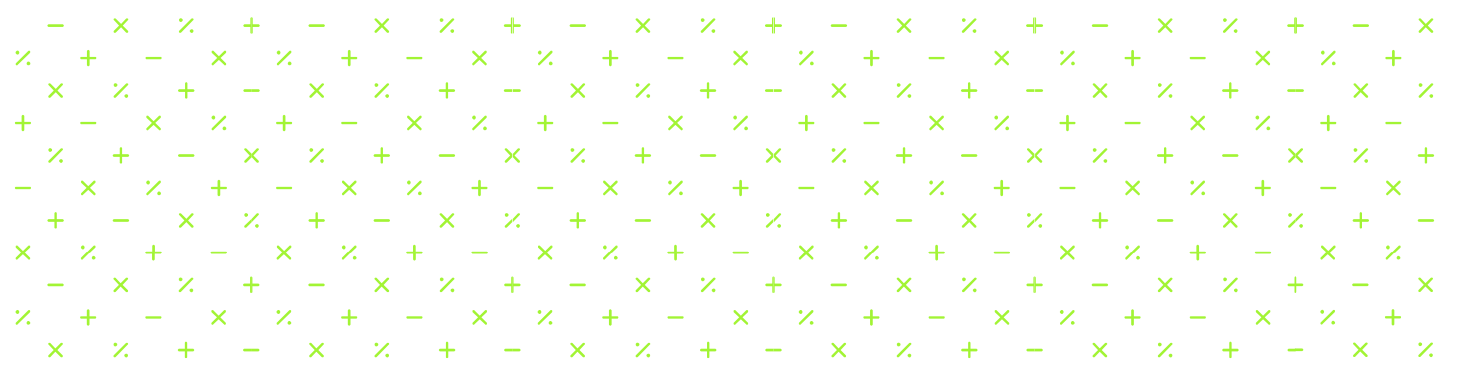
## Expenditure Summary

- 16 bureaus reported federal expenditures in FY22
- \$59 million was passed through to external partners

# Projected highlights of the SEFA

- ▶ Material weakness(es) identified - None
- ▶ Significant deficiency(ies) identified - None
- ▶ Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) - None
- ▶ Auditee qualified as low-risk auditee - Yes
- ▶ Financial Statement Findings - None reported
- ▶ Federal Award Findings and Questioned Costs - None reported





# City of Portland

Communication with Those Charged  
with Governance

December 14, 2022



# Agenda

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1. Engagement Team
2. Nature of Services Provided
3. Audit Process
4. Auditor Opinions / Reports
5. Required Communications



# Engagement Team

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**Keith Simovic, CPA,  
Partner**

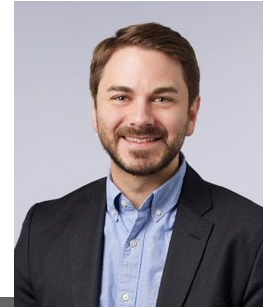
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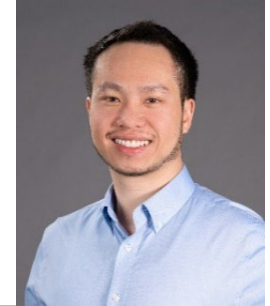
# Engagement Team

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# Nature of Services Provided

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**1** Independent Auditors' Report on the government wide and fund financial statements of City of Portland

**2** Assistance with, and technical review of each respective ACFR for compliance with GAAP as well as GFOA Certificate of Excellence requirements

**3** Report of Independent Auditors' on Internal Control Over Financial Reporting and on Compliance in Accordance with *Government Auditing Standards*

**4** Disclosures and Independent Auditors' Comments Required by the Minimum Standards for Audits of Oregon Municipal Corporations

**5** Report of independent auditors on compliance for the major federal programs and report on internal control over compliance as required by the Uniform Guidance

**6** Communication to Those Charged with Governance



# Scope of audit engagements

Entity	Audits Performed
City of Portland	Audit of ACFR Single Audit
Prosper Portland	Audit of ACFR Single Audit – combined with City of Portland
FPD&R pension plan	Audit of financial statements
Mt. Hood Cable Regulatory Commission	Audit of financial statements



# Audit Process



## Internal Controls

- Includes IT
- Revenues / cash receipting
- Expenses / cash disbursements
- Payroll
- Capital assets and Leases
- Financial close & reporting

## Analytical Procedures

- Revenue and expenses
- Trends, comparisons, and expectations

## Substantive Procedures

- Confirm account balances
- Vouch to supporting documentation
- Representations from attorneys and management
- Examine objective evidence





# Audit Opinion/ Reports

Financial  
Statements

Unmodified  
(clean) opinion  
on financial  
statement

Government  
Auditing  
Standards  
Report

No findings

Oregon  
Minimum Audit  
Standards  
Report

No findings

Single Audit  
Report

No findings



# Required Communications

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- Planned scope and timing
- Significant accounting policies – Adoption of new GASB 87 leasing standard
- **Audit adjustments – No material audit adjustments**
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit
- **Audit observations and recommendations – No material weaknesses, best practice recommendations communicated to management**



# Acknowledgements

Thank you Michelle Kirby, Ronald Vaught, Kevin Sanders, and staff for their excellent facilitation of the audit process and Mary Hull Caballero and Minh Dan Vuong for their management of the audit contract.

- The audit progressed on time and in an orderly fashion; all requested schedules and draft financial statements were received on a timely basis.
- All personnel across all departments were courteous, responsive, and fulfilled all our requests in a timely manner.
- ‘Tone at the Top’ and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points.





# Thank You

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