



Audit of Financial Statements for the Year Ended June 30, 2023

City Auditor Simone Rede

December 6, 2023



**Portland
City Auditor**
Audit Services

Audits help ensure open and accountable government

Performance Audits

- Review efficiency, effectiveness, and equity of a City program or service
- Objectives and methods chosen by Auditor's Office

Financial Audits

- Review financial statements
- Objectives include obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement
- Follow state and federal law and accounting standards

Auditor's Office oversees outside financial auditors



Mayor and City Commissioners



City Auditor

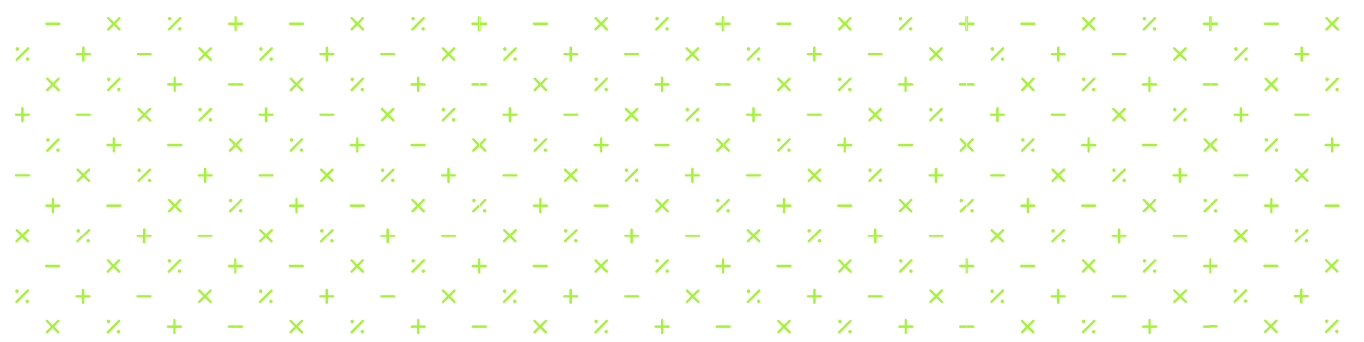
Bureau management

Responsible for preparing financial statements and setting up financial controls



Outside financial audit firm

Independently audit the financial statements



City of Portland

Communication with Those Charged
with Governance

December 6, 2023



Agenda

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



Engagement Team

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Engagement Team

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Ed Solian, Lead Senior – Utilities

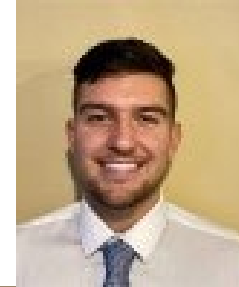
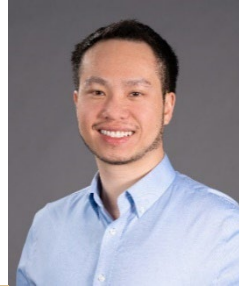
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Nature of Services Provided

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

2 Technical review of the Annual Comprehensive Financial Report (ACFR) for compliance with Generally Accepted Accounting Principles (GAAP) as well as GFOA Certificate of Excellence

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 Annual Comprehensive Financial Report Single Audit
Prosper Portland	Audit of Annual Comprehensive Financial Report Single Audit – combined with City of Portland
Fire and Police Disability and Retirement Funds	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 reportable
findings

Oregon
Minimum Audit
Standards
Report

No reportable
findings

Single Audit
Report

No reportable
findings



Required Communications

- Planned scope and timing
- Significant accounting policies – Adoption of new GASB 96 subscription-based IT arrangement standard.
- **Audit adjustments – Two passed audit adjustments were identified, see next slide**
- Management’s consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit
- **Audit observations and recommendations – No material weaknesses, continued best practice recommendations communicated to management**



Audit Adjustments and Passed Audit Adjustments

Audit Adjustments	Amount
None noted	



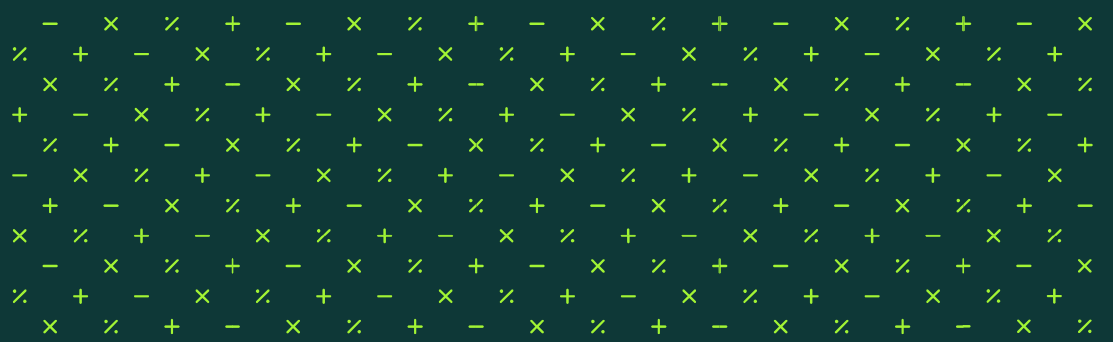
Passed Audit Adjustments	Amounts
1) To reclassify certain BES projects that were in service at fiscal year end from construction work in process to capital assets in service	\$13,443,000
2) To adjust cash clearing accounts for cash amounts received at fiscal year end, but not yet cleared to the appropriate fund.	\$15,536,000

Acknowledgements

Thank you Thomas Lannom, Ronald Vaught, Kevin Sanders, and staff for their excellent facilitation of the audit process and City Auditor Simone Rede 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
