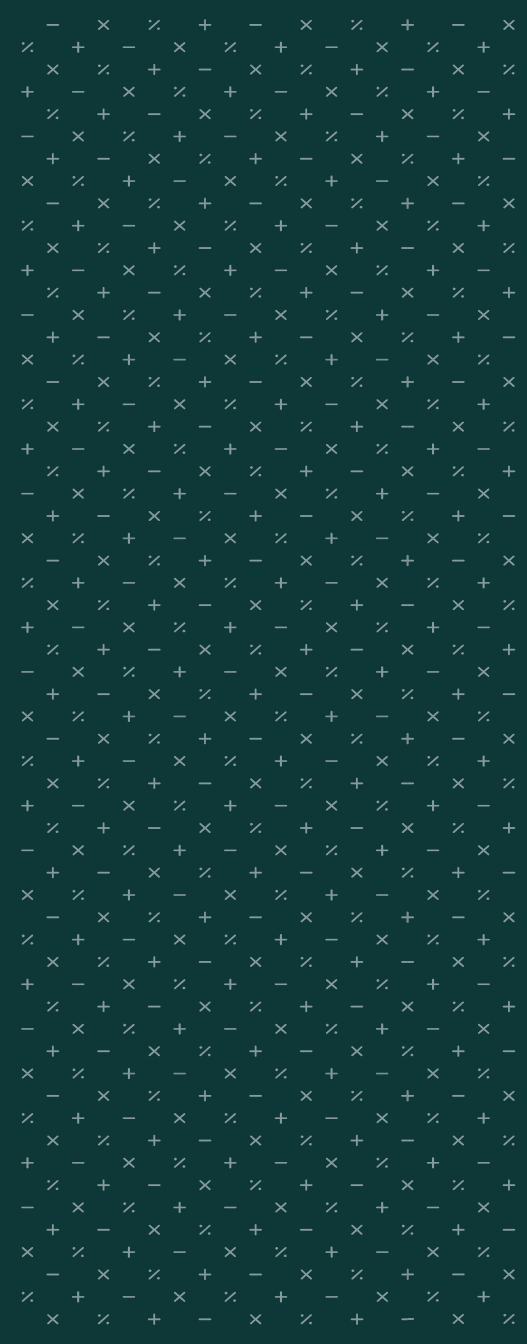




City of Portland Fire and Police Disability and Retirement Funds

Fiscal Year 2020 Audit Results
Board Meeting

November 17, 2020



Agenda

- Nature of Services Provided
- Significant Audit Areas
- Required Communications
- Audit Issues – New Accounting Pronouncements
- Acknowledgements



Nature of Services Provided

- Independent Auditors' Report on the financial statements of the Fire and Police Disability and Retirement Funds, component units of the City of Portland
 - Unmodified (clean) opinion
- Report of Independent Auditors' 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*
 - No findings



Significant Audit Areas

Audit Area	Procedures	Results
Cash and Investments	Confirmations, investment valuation testing, Oregon legal compliance testing – performed in conjunction with the City’s CAFR audit.	Balances properly supported and reported.
Property Tax Revenues and Receivables	Confirmation of revenues and receivables – performed in conjunction with the City’s CAFR audit.	Revenues and receivables materially correct.
Pension Liabilities	Review of actuarial valuations, evaluation of relevant assumptions, and testing of census data.	Management adequately supported estimates and consistently applied; reported balances agreed with underlying support.



Significant Audit Areas

Audit Area	Procedures	Results
Benefit Payments	Evaluated internal controls surrounding benefit payments and performed substantive tests of details.	Payments were properly reported and supported.
Financial Close and Reporting	Completing disclosure checklists, testing year-end close, technical review, and tie-out of the financial statements. Evaluation of management's disclosure regarding funding status.	FPDR met its delivery timelines, and the financial statements only required minor changes following our review.



Significant Audit Areas

Audit Area	Procedures	Results
Evaluation of the plan's ability to continue as a going concern	Obtained and reviewed Milliman's projections on the likelihood that the benefit payments will exceed tax revenues in future years. Reviewed FPDR's disclosures for transparency in the nature of the plan, funding structure, and risks related to benefits exceeding the tax levy cap.	Disclosures were deemed transparent and detailed in providing information related to the funding structure of the plan and the risk of benefit payments exceeding the tax levy cap.



Required Communications

- Auditor's responsibility under auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Audit adjustments made and passed – None
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit
- Audit observations and recommendations – No material weaknesses noted



Audit Issues – New Accounting Pronouncements

Other GASB Projects

Financial Reporting Model

Revenue and Expense Recognition

Disclosure Framework

Current State

Re-deliberation stage

Re-deliberation stage

Initial deliberations



Acknowledgements

Thank you Sam Hutchison, Stacy Jones, Mika Obara, and their staff for their excellent facilitation of the audit process, and Kari Guy for her 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.

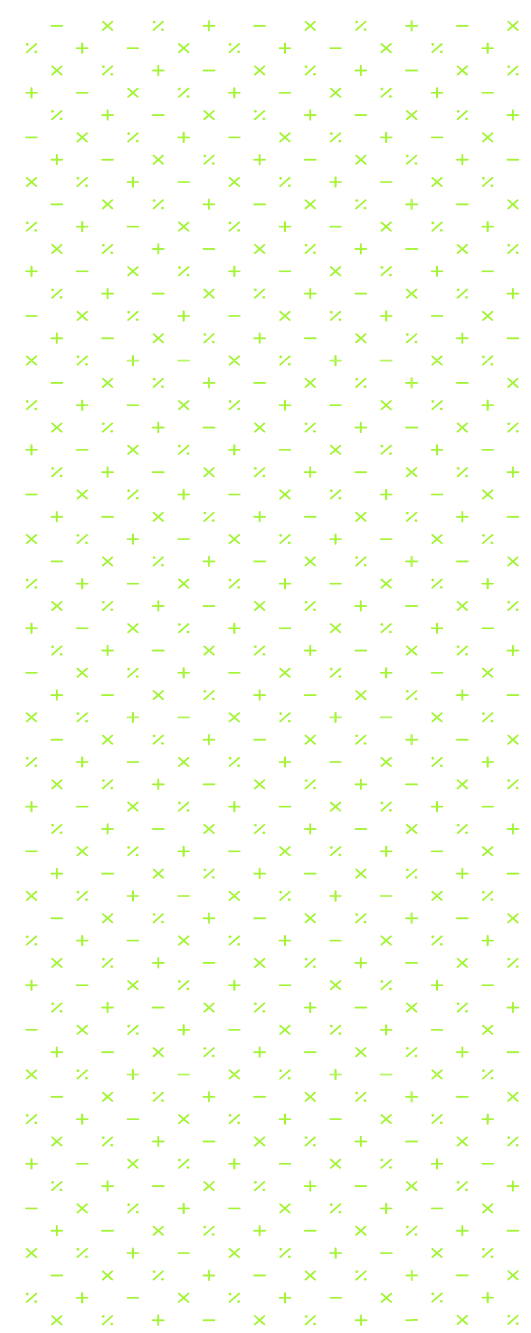




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Questions?





**THANK
YOU**

