



MOSSADAMS

Audit Results

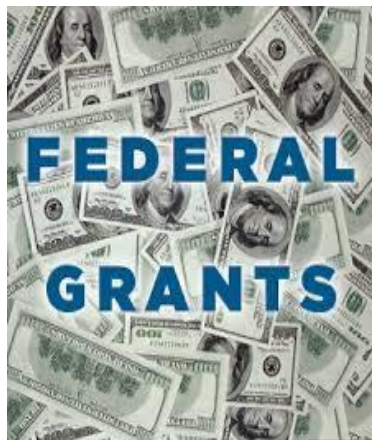
Better Together: Moss Adams & Metro

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Agenda

1. What an audit covers
2. Auditor Opinions and Reports
3. Required Communications with Those Charged with Governance
4. Other Information

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Finance and Regulatory Services Department

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Prepared by
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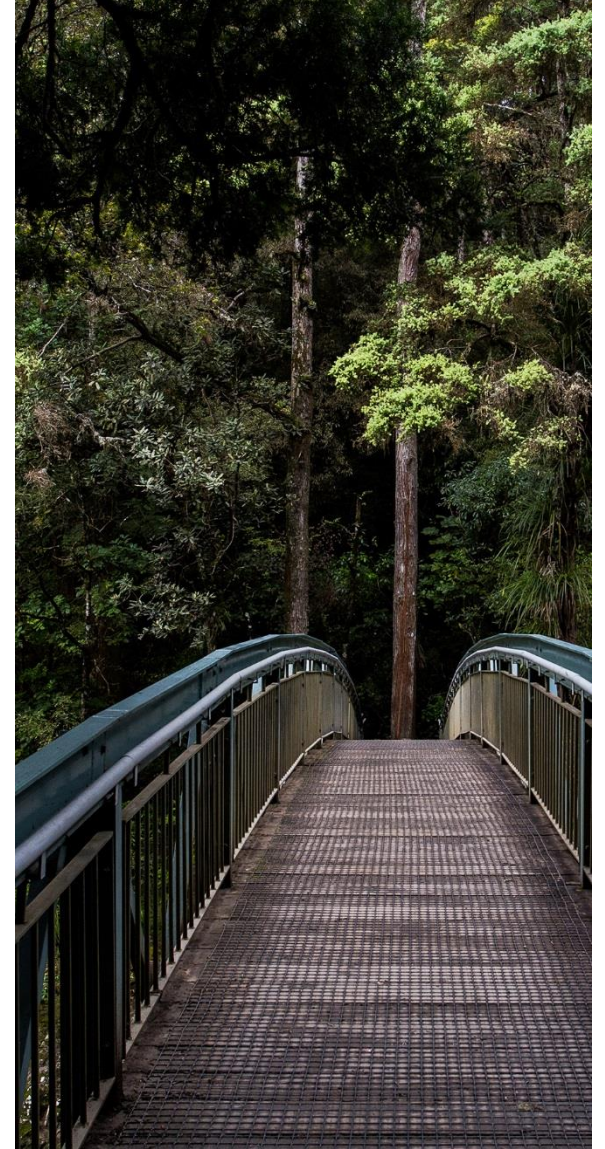
Financial Reporting and Control Supervisor
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Auditor Opinions & Reports



Auditor Report on the Financial Statement

Report of Independent Auditors

- Unmodified opinion
- Financial statements are presented fairly in accordance with US GAAP

Other Auditor Reports – Single Audit

GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

- One significant deficiency over financial reporting identified
 - 2019-001 – Capital Assets
- No compliance findings

Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Federal Program and on Internal Control Over Compliance in accordance with the Uniform Guidance for Federal Awards (2 CFR Part 200)

- No control findings
- No compliance findings

Other Auditor Reports – Oregon Minimum Standards and Bond Expenditures

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Oregon Municipal Auditing Standards

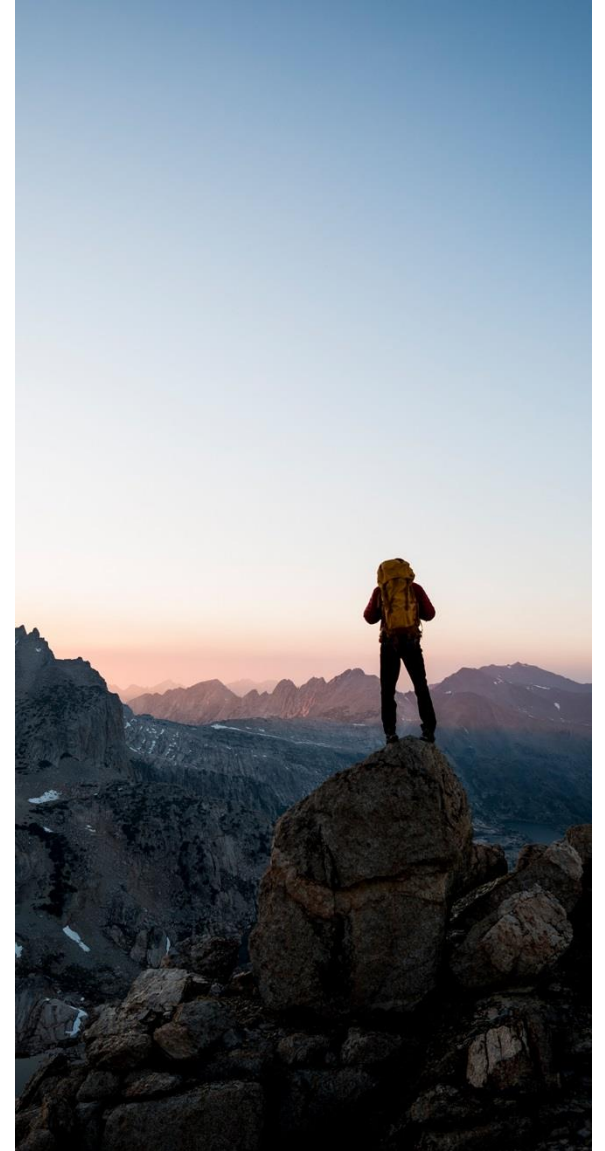
- No control findings
- No instances of non-compliance

Report of Independent Auditors regarding Natural Areas General Obligation Bonds, Oregon Zoo General Obligation Bonds, and Affordable Housing General Obligation Bonds

- Expenditures tested met the stated purpose in Council Resolutions laying out the intended use of the bond proceeds



Communications with Those Charged with Governance



Required Communications

In-depth discussion including all required communications with Audit Committee in November

Reporting deadlines – attention focused on meeting State requirement to file the audit report with the State by December 31, 2019

Audit adjustments

No corrected audit adjustments

There were four uncorrected audit adjustments: The first adjustment was proposed to correct the over recognition of depreciation expense in the Zoo fund during the current year totaling \$3.7 million. The second adjustment was proposed to correctly recognize depreciation expense in the Solid Waste fund during the current year totaling \$630K. The third was to accrue for accounts payable for expenses in various funds incurred in FY2019 and paid in FY2020 totaling \$656K. The fourth was to correct for an expense recorded in the Natural Areas fund twice in the prior year and corrected in the current year for \$237K.

No difficulties encountered in performing the audit

No disagreements with management

Deficiencies in Internal Control

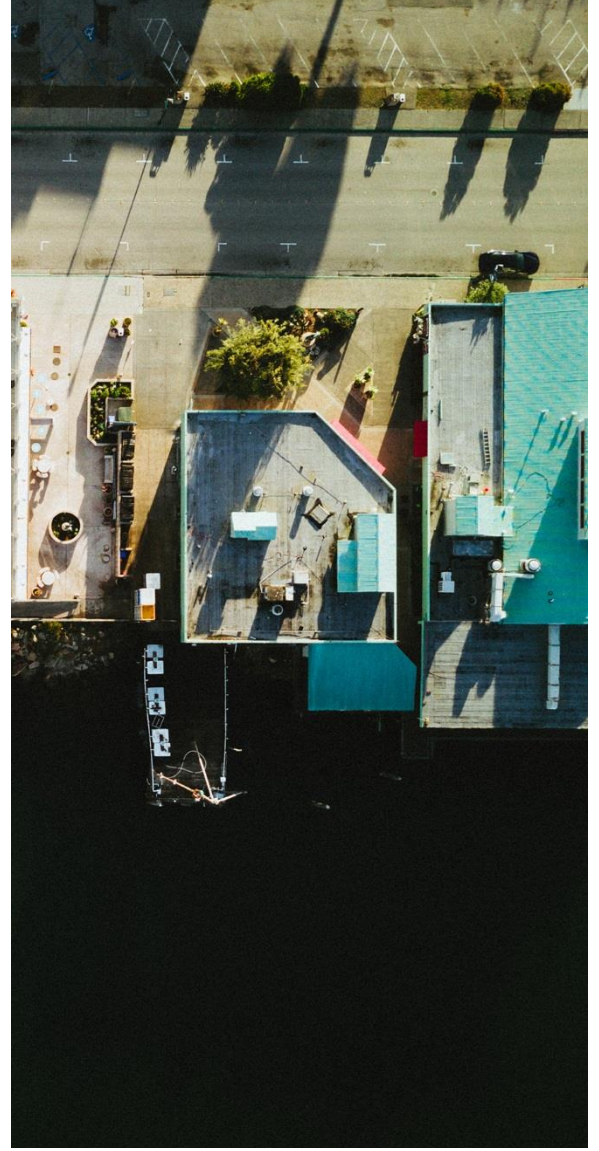
Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the Audit Committee.

Our Comments

- **Material weakness**
 - None noted
- **Significant deficiencies & non-compliance**
 - Capital assets
- **Current year best practice recommendations**
 - Payroll
 - Expenditure approval
 - Expenses
- **Prior year best practice recommendations**
 - Capital assets – not resolved
 - Payroll – resolved
 - Accounts receivable allowance – resolved
 - Purchasing card controls –resolved



Accounting Update



New Standards

GASB 84, Fiduciary Activities – effective for the Port’s 2020 year-end

Establishes standards of accounting and financial reporting for fiduciary activities.

GASB 87, Leases – effective for Metro’s 2021 year-end

Establishes standards of accounting and financial reporting for leases by lessees and lessors, and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 90, Majority Equity Interests – effective for Metro’s 2020 year-end

Establishes standards of accounting and financial reporting for majority equity interests.

GASB 91, Conduit Debt Obligations – effective for Metro’s 2022 year-end

Establishes standards for accounting and reporting of conduit debt obligations.

Contact Us



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THANK
YOU