



DATE: January 11, 2017
TO: Board of Commissioners Acting in its Capacity as the PDC Audit Committee
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 17-01

Accepting and Approving the Comprehensive Annual Financial Report for Fiscal Year 2015-2016 and Accepting the Communication with Those Charged With Governance

BOARD ACTION REQUESTED

Adopt Resolution No. 7226

ACTION DESCRIPTION

The action by the Portland Development Commission (PDC) Board of Commissioners (Board), acting as the PDC Audit Committee, will accept and approve the completed Comprehensive Annual Financial Report (CAFR) for the Fiscal Year (FY) ended June 30, 2016, and accept the Communication With Those Charged With Governance Letter from accounting firm Moss Adams, LLP (Moss Adams).

BACKGROUND AND CONTEXT

PDC's CAFR for the FY ended June 30, 2016, satisfies Oregon Revised Statute (ORS) 297 Municipal Audit Law, which requires municipal corporations to undergo an annual audit and subsequently publish financial statements that include the auditor's opinion on the financial condition and results of operation for the period under audit. Additionally, PDC's charter requires the Commission to undergo an annual independent audit by a licensed Municipal Auditor.

Moss Adams conducted the audit of the PDC's FY 2015-16 financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that PDC's financial statements for the FY ended June 30, 2016, are fairly presented in accordance with accounting principles generally accepted in the United States of America.

COMMUNITY AND PUBLIC BENEFIT

ORS 297.425 requires that every municipal corporation undergo an independent financial audit at least annually. PDC has successfully participated in such an audit and readers may rely upon the related financial statements with reasonable assurance that they are free of material misstatements.

PUBLIC PARTICIPATION AND FEEDBACK

There was no public participation related to this proposed action.

BUDGET AND FINANCIAL INFORMATION

Financial costs have already been incurred to complete the audit cycle and produce the CAFR. No further costs are anticipated.

RISK ASSESSMENT

Adoption of this resolution reduces PDC's risk of noncompliance with ORS and governmental accounting standards. Not responding to management issues identified by Moss Adams could result in findings of material weaknesses or deficiencies in subsequent audit cycles.

ALTERNATIVE ACTIONS

There is no alternative action at this time; failure to approve this action could result in PDC being out of compliance with ORS, Portland City Charter, and governmental accounting standards.

ATTACHMENTS:

None