



**RS 4. A. 3/19/24
Presentation**

CITY OF MILWAUKIE

Annual
Comprehensive
Financial Reporting
June 30, 2023

ACFR & PAFR

- Annual Comprehensive Financial Report (ACFR)
 - High level, technical document outlining city's financial position at year end
 - Audience is for government regulators, auditors, and banker
 - 100+ pages of detailed information
- People's Annual Financial Report (PAFR)
 - Brief summary level document highlighting the city's finances.
 - Audience is for residents & citizens of the city to create discussion and dialogue
 - 10 page of summary information
- The city has received the GFOA award for ACFR Reporting in FY22!



TIMELINE

- June 30, 2023 – End of Fiscal Year 2023
- July 2023 – Interim Field Work
- August 2023 – Audit Committee meeting
- November 2023 – Auditors on site
- January 2024 – Complete Financial Document w/ review of Merina.
- February 2024 – Aldrich Partner review, presented to Audit Committee
- March 2024 – Submitted to Oregon S.O.S office (3/13/2024)



AUDIT RESULTS

- The city received a “clean and unmodified opinion” for the annual audit for fiscal year ending 6/30/2023.
- Aldrich Advisors identified the following issues:
 - Material Weakness in Internal controls in place to identify and correct end of year reporting
 - Multiple violations of City's procurement policies during the fiscal year.
 - Uncontracted city project relating to slurry seal – Summer of 2023
 - Failure to follow advertising requirements
 - Failure to obtain appreciate approvals prior to entering contracts.



AUDIT RESULTS, CTD

- In past 2 years city has updated reporting to bring reporting to current GFOA standards
 - Implemented GASB standards 86 & 87 to account for Leases and Subscriptions.
 - Purchased subscription software Leasequery to help in reporting
 - Addition of Milwaukie Redevelopment Commission financial statements
 - Update accounting standards regarding bond proceeds and Interest income.
 - This led to 15 Journal entries made at year end:
 - 8 – Auditor preference changes from past practice
 - 3 – Due to GASB updates
 - 2 – Standard end of year entries
 - 2 – Error corrections



FUTURE GOALS

- Address findings from 2023 audit
- City needs to submit the annual ACFR to Oregon Secretary Of State and GFOA by December 31, 2024
- Process improvements to meet these goals:
 - Increase procurement training
 - Conduct internal audits of procurements
 - Move up auditors in-office field work from November to late September/early October
 - Work on continuing education and guidance in preparation of new standards
 - Have auditors complete the financial reporting piece of ACFR – Saves staff time, but additional cost
 - Staffing and capacity:

