



# City of Pensacola

AUDIT RESULTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019





- This Year's Audit Results
- Other Audit Matters
- Major Estimates and Judgments

# This Year's Audit Results

Matter	Conclusion
Opinions on Financial Statements	<ul style="list-style-type: none"><li>Fairly stated in all material respects.</li><li>Considered a “clean” or “unmodified” report.</li><li>Issued on February 10, 2020</li></ul>
Reporting on Required Supplementary Information	<ul style="list-style-type: none"><li>We have applied certain limited procedures which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on this information.<ul style="list-style-type: none"><li>MDA</li><li>Pension Funds – Schedule of Changes in Net Pension Liability and Related Ratios, Proportionate Share of the Net Pension Liability, Employer Contributions and Investment Returns</li><li>Schedule of Changes in Total OPEB Liability and Related Ratios</li></ul></li></ul>

# This Year's Audit Results

Matter	Conclusion
Reporting on Supplementary Information	<ul style="list-style-type: none"><li>▪ Introductory &amp; Statistical Section - was not subjected to auditing procedures applied in the audit of the basic financial statements, thus we express no opinion on it.</li><li>▪ The following information was subjected to the procedures applied in the audit of the basic financial statements and is fairly stated in all material respects in relation to the City's financial statements.<ul style="list-style-type: none"><li>▪ Combining and Individual Nonmajor fund financial statements and schedules</li><li>▪ Financial Data Schedule</li><li>▪ Schedule of Expenditures of Federal Awards, Passenger Facility Charges and State Financial Assistance</li><li>▪ Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill</li></ul></li></ul>

# This Year's Audit Results

Matter	Conclusion
Reporting under Government Auditing Standards	<ul style="list-style-type: none"><li>▪ No instances of noncompliance or other matters identified and reported .</li><li>▪ No material weaknesses were identified</li></ul>
Reporting on an Examination of Compliance Requirements in Accordance with Ch. 10.550, <i>Rules of the Auditor General</i>	<ul style="list-style-type: none"><li>▪ City complied, in all material respects, with (1) Florida Statute 218.415 in regards to investments.</li></ul>

# This Year's Audit Results

Matter	Conclusion
Report on Compliance for Each Major Federal Program, State Project and Passenger Facility Charge Program and Internal Control	<ul style="list-style-type: none"> <li>▪ We believe the City complied in all material respects with compliance requirements that could have a direct and material effect on each of its federal programs, state projects and the passenger facility charges program</li> <li>▪ No material weaknesses in internal control identified and reported related to each major federal program, state project and the passenger facility charges program.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Federal Programs:                             <ul style="list-style-type: none"> <li>▪ CFDA No. 14.871 – U.S. Department of Housing and Urban Development – Section 8 Housing Choice Vouchers Program</li> <li>▪ CFDA No. 20.106 – U.S. Department of Transportation – Airport Improvement Program</li> <li>▪ CFDA No. 97.039 – U.S. Department of Homeland Security – Hazard Mitigation Grant Programs</li> </ul> </li> <li>▪ State Project:                             <ul style="list-style-type: none"> <li>▪ CSFA No. 55.005 – Department of Transportation – Seaport Grant Program</li> </ul> </li> </ul>	

# This Year's Audit Results

Matter	Conclusion
Adjustments detected by the audit process	<ul style="list-style-type: none"><li>▪ None.</li></ul>
Other matters	<ul style="list-style-type: none"><li>▪ No instances of fraud or illegal acts were noted.</li><li>▪ No material uncertainties were noted.</li><li>▪ No significant changes to our planned scope or approach were required during year end fieldwork.</li></ul>
Financial statement disclosures	<ul style="list-style-type: none"><li>▪ The disclosures are neutral, consistent and clear.</li></ul>
Disagreements with management	<ul style="list-style-type: none"><li>▪ None.</li></ul>
Management consultations with other accountants	<ul style="list-style-type: none"><li>▪ Management has informed us that they have not consulted with other accountants.</li></ul>
Difficulties encountered performing the audit	<ul style="list-style-type: none"><li>▪ None.</li></ul>
Management representations	<ul style="list-style-type: none"><li>▪ Management has provided us with certain representations that are included in the management representation letter dated February 10, 2020.</li></ul>

# Other Audit Matters

## Changes in Accounting Policies

- None noted in the current year.

## Significant or Unusual Transactions

- We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

## Accounting Policies

- Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.



# Major Estimates and Judgments

Certain aspects of accounting are more qualitative and require more judgment and estimation by management. The following items represent the more significant qualitative areas:

- Reserve for doubtful accounts receivable
- Reserve for doubtful loans receivable
- Decisions over what to capitalize, useful lives of depreciable assets and losses on such assets not yet realized
- Measurement of the actuarial obligations for the pension plans, other post-employment benefit plans and self-insurance plan

We have assessed these areas in considering the overall fairness and completeness of the financial statements taken as a whole.