

City of Gainesville

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Meeting Agenda

March 21, 2005

10:00 AM

City Hall, Room 16

Audit and Finance Committee

*Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Tony Domenech, Member*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES****041088 Audit and Finance Committee Minutes of February 21, 2005 (B)**

RECOMMENDATION *The Committee approve the minutes as circulated.*

DISCUSSION OF PENDING REFERRALS

041087 The Basic Financial Statements, Supplemental Information and Independent Auditors' Report of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2004; Financial Statements and Independent Auditors' Report on the Employees' Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2004; Financial Statements and Independent Auditors' Report on the Consolidated Police Officers and Firefighters Retirement Plan of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2004; the Independent Auditors' Management Letter and Single Audit Reports for the Fiscal Year Ended September 30, 2004; and management's written response. (B)

Explanation: The City's independent auditors, Davis, Monk and Company and Ernst and Young, Certified Public Accountants, issued the following reports:

- 1. The Basic Financial Statements, Supplemental Information and Independent Auditors' Report of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2004;*
- 2. The Financial Statements and Independent Auditors' Report on the Employees' Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2004;*
- 3. The Financial Statements and Independent Auditors' Report on the Consolidated Police Officers and Firefighters Retirement Plan of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2004; and*
- 4. The Independent Auditors' Management Letter and Single Audit Reports for the Fiscal Year Ended September 30, 2004.*

In the opinion of the independent auditors, the basic financial statements

referred to in item 1 above represent fairly, in all material respects, conformity with generally accepted accounting principles.

In the independent auditors' opinion, the financial statements referred to in items 2 and 3 above present fairly, in all material respects, the net assets available for benefits as of September 30, 2004, and the changes in net assets available for benefits for the year then ended in conformity with generally accepted accounting principles.

Item 4 relates to the basic financial statements from item 1. As part of the audit process the independent auditors issue "management letter comments" along with several other reports related to internal control structure; compliance with certain provisions of laws, regulations, contracts and grants, and internal control structure and certain requirements applicable to federal and state financial assistance programs.

The auditors' report related to General Government includes two reportable conditions. One is related to internal control over the City's procurement card program and the other is related to internal controls over the Home Investment Partnership ("HOME") program. Management's written response to these comments, as well as an update on the current status of three prior audit findings is included for your review and acceptance. Management's response indicates they agree with each of the recommendations and have taken steps to address them.

The auditors' Management Letter on Internal Control related to Gainesville Regional Utilities includes three suggestions submitted to assist in improving procedures and controls. The suggestions relate to Accounts Receivable Records and Procedures, Allowance for Doubtful Accounts and Journal Entry Review. Management's written response indicates they agree with each of the recommendations and will initiate control improvements in these areas. Of the two prior year recommendations provided by the auditor, both have been addressed or are no longer relevant.

In accordance with Section 6(b) of Resolution 970187, City Auditor Responsibilities and Administrative Procedures, I have reviewed the attached statements and reports to ensure that contractual terms have been fulfilled and transmit these reports with a recommendation for City Commission acceptance.

RECOMMENDATION

The Audit and Finance Committee recommend that the City Commission accept the subject financial statements and audit reports; receive the Independent Auditors' Management Letter and Single Audit Reports; and accept management's written response.

040291

Reserve Funds Policies (Referral of August 5, 2004) (NB)

RECOMMENDATION

The Audit and Finance Committee hear a presentation on debt factors.

Legislative History

8/5/04	City Commission	Referred (7 - 0)	Audit and Finance Committee
11/1/04	Audit and Finance Committee	Recommended for Approval	
1/31/05	Audit and Finance Committee	Heard	
2/21/05	Audit and Finance Committee	Continued	

ADJOURNMENT