

City of
Gainesville

Inter-Office Communication

March 29, 2010

TO: Audit, Finance and Legislative Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Scherwin Henry, Member

FROM: Brent Godshalk, City Auditor

SUBJECT: City of Gainesville Fiscal Year 2009 Comprehensive Annual Financial Report, Audited Financial Statements, Auditors' Reports, Auditors' Management Letters and Single Audit Reports, and Management's Written Response

Recommendation

The Audit, Finance and Legislative Committee recommend that the City Commission accept the subject financial report, financial statements, auditors' reports, management letters and single audit reports; and accept management's written response.

Explanation

In accordance with the City's contracts for external auditing services with Carr, Riggs & Ingram, LLC (formerly Davis, Monk and Company) and Ernst and Young, Certified Public Accountants, the following reports are presented for review by the Audit, Finance and Legislative Committee:

1. [The Basic Financial Statements, Supplemental Information and Independent Auditors' Report, Management Letters and Single Audit Reports of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009; which are presented in the attached Comprehensive Annual Financial Report;](#)
2. [The Financial Statements, Supplemental Information and Independent Auditors' Report of Gainesville Regional Utilities for the Fiscal Year Ended September 30, 2009;](#)
3. [The Financial Statements and Independent Auditors' Report on the Wild Spaces Public Places \(WSPP\) Funds of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009;](#)
4. [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, 2009;](#)
5. [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, 2009;](#)
6. [The Financial Statements and Independent Auditors' Report on the Disability Pension Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009; and](#)
7. [The Financial Statements and Independent Auditors' Report on the Other Postemployment Benefits Fund of the City of Gainesville, Florida for the Fiscal Year Ended September 30, 2009.](#)

In the opinion of the independent auditors, the financial statements referred to in items 1, 2 and 3 above present fairly, in all material respects, the financial position and changes in financial position of the City, GRU and the City's Wild Spaces Public Places Funds for the year ended September 30, 2009, in conformity with generally accepted accounting principles.

In the independent auditors' opinion, the financial statements referred to in items 4, 5, 6 and 7 above present fairly, in all material respects, the net assets and changes in net assets held in trust for benefits for the year ended September 30, 2009, in conformity with generally accepted accounting principles.

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. These reports are presented within item 1 above under the heading of "Single Audit Section."

The auditors' management letter related to General Government indicates that there were no recommendations in the current year. The auditors' management letter and internal control report over financial reporting related to Gainesville Regional Utilities include recommendations related to SAP accounting system user education, SAP* configuration, SAP change controls configuration and FERC depreciation. The auditors also indicated that no prior year recommendations are outstanding. Management's written response to these comments indicates agreement with the auditors' recommendations and provides planned corrective action on each issue.

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