



**CITY OF KEIZER
AUDIT COMMITTEE MEETING MINUTES
January 29, 2014**

Attendance:

Ron Bersin – Citizen Volunteer,
Budget Committee

William Criteser – Citizen Volunteer,
Budget Committee

Chuck Swank – Partner, Grove,
Mueller & Swank, PC

Kim Freeman – City Councilor

Jim Taylor – City Councilor

Cathy Clark – City Councilor (4:15)

Susan Gahlsdorf – Finance Director

Tim Wood – Assistant Controller

Tracy Davis – City Recorder

Meeting convened at 4:00 p.m.

Approval of Minutes ~ Kim Freeman moved for approval of the March 8, 2013 Minutes. Bill Criteser seconded. Motion passed with Freeman and Bersin in favor, Criteser and Taylor abstaining, and Clark absent at time of vote.

Keizer Heritage Foundation: Assistant Controller Tim Wood explained that a new agreement is in place effective July 2012. He reviewed financial issues: rent was paid on time, annual reports were filed, insurance is up to date, and the sinking fund reserves are \$80,000. Discussion took place regarding Mr. Rasmus' report in 2012.

Keizer Renaissance Transient Occupancy Tax: Mr. Wood explained that this was reviewed last year but is being reviewed again this year because there has been a change of ownership in the hotel. The hotel sold in June 2013 and the Transient Occupancy Tax due the City was paid from the proceeds of the sale. The new owners paid the quarterly taxes due for the first quarter on time; the next payment is due in February. These funds go into the General Fund.

City of Keizer Comprehensive Annual Financial Report: Mr. Wood reported that the Report received an "Unqualified Opinion" which means there are no discrepancies from the audit standpoint. He directed attention to various pages and provided explanation and clarification regarding revenue from court fines, operating grant funds, capital grants, taxes and assessments, franchise fees, and intergovernmental funds. He pointed out a new line: "Loss on impairment of long lived assets" noting that this had to do with the bankruptcy property at Keizer Station purchased by the City for an amount based on the outstanding assessments and that, based on comparisons with other properties, the property was not worth what the City paid for it so approximately \$350,000 was written off.

Mr. Wood then reviewed expenses for the year and provided clarification and explanation on various line items. Finance Director Susan Gahlsdorf and Auditor Chuck Swank also provided clarification and explanation. Mr. Swank urged Audit Committee members to read the budgetary statements towards the back of the CAFR to get an understanding of each individual fund.

Urban Renewal Agency's Financial Report: Mr. Wood explained that the Urban Renewal District bought the property at Keizer Station and recognized the loss on the property (Tract C behind Lowes). Director Gahlsdorf fielded questions regarding the Rawlins property at Keizer Station.

OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations – “Single Audit”: Mr. Wood provided information regarding federal grant money and the single audit and explained that the following three issues are being addressed: 1) documentation of payroll time; 2) timing of requested reimbursement, and 3) the contractor selection process.

Mr. Swank provided additional information regarding the “single audit” and the “Governance Letter”. He explained that the auditing profession is required to tell the representatives of the governing body if they had any significant problems with the audit. He noted that this letter points out recommended adjustments.

Adjourn ~ Meeting adjourned at 4:55 p.m.

Minutes approved: 2-26-15