



CITY OF KEIZER
AUDIT COMMITTEE MEETING MINUTES
February 4, 2016, 4:00 p.m.

Attendance:

Ron Bersin – Citizen Volunteer, Budget
Committee (4:10)

Joseph Gillis – Citizen Volunteer, Budget
Committee

Kathy Wilson – Grove, Mueller & Swank

Ryan Pasquarella – Grove, Mueller & Swank

Kim Freeman – City Councilor

Brandon Smith – City Councilor

Dennis Koho – City Councilor

Tim Wood – Interim Finance Director

Debbie Lockhart – Deputy City
Recorder

Meeting convened at 4:04p.m.

Approval of Minutes ~ Brandon Smith moved for approval of the January 26, 2015 Minutes. Joseph Gillis seconded. Motion passed with Freeman, Gillis, Smith and Koho in favor and Bersin absent at time of vote.

City of Keizer Comprehensive Annual Financial Report: Mr. Wood noted that there was a major accounting change this year with the payoff of the Urban Renewal District credit line and implementation of Government Accounting Standards Board (GASB) 68 which effects the look of the balance sheet for 14-15.

Mr. Pasquarella explained that GASB68 impacts the front consolidated schedules for the City which is different than budget to actual reports.

Mr. Wood referred everyone to the budget to actual statements so they could get a ‘flavor’ of how the year ended; the general fund revenues were within \$2500 of anticipated. He noted in the expenditure line the administrative services funds came in a lot lower and that fund is allocated to other funds. The contingency fund was not spent last year, but that will need to be reconsidered for next year as the building needs some work. Mr. Wood then reviewed the different funds noting as of January 31 all revenues are about where they were expected to be with the exception of municipal court and the community center which are above expectations.

Urban Renewal Agency’s Financial Report: Mr. Wood explained that this is the last report for now because the agency has been closed out. Everything in this report is in the CAFR.

Other Required Auditor Communications: Mr. Pasquarella pointed out that this is the 16th year in a row that the City has received the Certificate of Achievement for Excellence in Financial Reporting. He praised the City noting that Keizer's audit is always easy because the City is prepared, gets information when asked, and knows the answers to audit questions. He then reviewed the independent auditors report noting that one thing that is different is the opinion. The implementation of GASB68 was so significant that the auditors felt it was important to point it out. Additionally Oregon requires the auditor to verify that the CAFR complies with state and local laws and the only thing negative in the report is the over expenditure of \$37 in one of the funds.

The other document is the governance letter and that is the auditors' communication to the Audit Committee explaining how the audit went. The letter is a short version of what the audit is, what the auditors saw, and any issues they had during the audit. Significant audit findings are on the first page which talks about significant estimates, allowance for doubtful accounts and methodology. Page two of the letter states there are no disagreements with management and that the audit went smoothly.

Other Items – Keizer Heritage Foundation: Mr. Wood noted that the Keizer Heritage Foundation had a new lease in 2012 and they have been a great partner and complied with all aspects of their agreement. He noted that their sinking fund is beginning to 'sink' and they are working with the City to change that. He anticipates seeing that go up. Mr. Wood added that he would provide a copy of their budget to the committee.

Mr. Wood reported that next year the Audit Committee would look at the Transient Occupancy Tax dollars which are up 60% this year since the hotel is now affiliated with a national chain.

Adjourn ~ Meeting adjourned at 4:49 p.m.

Minutes approved: 03-30-17