

Audit Committee
City of Newport/Newport Urban Renewal Agency
February 23, 2018 Minutes

I. CALL TO ORDER

Laura Swanson, Chair, called the meeting to order at 10:35 a.m.

In Attendance: Councilor Laura Swanson Chair, Councilor David Allen Committee Member, Audit Committee Member Glenda Rhodes, Finance Director Mike Murzynsky, Capital Projects and Grant Accountant Linda Wertman *Absent:* City Manager Spencer Nebel, Alternate Committee Member Councilor Mark Saelens, Assistant Finance Director Steve Baugher.

II. APPROVAL OF MINUTES

The committee noted that no corrections were needed to the draft Minutes of January 19, 2018. **MOTION:** Member Rhodes moved to approve the minutes and **SECONDED:** by Member Allen. The motion carried unanimously in a voice vote.

III. ASSIGNMENT OF AUDIT SECTIONS TO COMMITTEE FOR PRESENTATION TO CITY COUNCIL - AUDIT & FINANCEIAL REPORT FOR YEAR ENDED JUNE 30, 2017

Member Allen offered to present the Urban Renewal Agency portion of the audit to the City Council, as well as give an overview of the City Audit. Chair Swanson requested the Balance Sheet portion, and offered to do the presentation summation. Member Rhodes offered to report on the audit Opinion section and the Income Statement or Statement of Activities. Rhodes also stated as part of her report she will comment on the prior period adjustments listed in the statement of activities as a footnote. Chair Swanson recommended that when using accounting terms, audit terms, or acronyms, those terms be defined, because members may not be familiar with those terms and acronyms. Director Murzynsky stated he usually reports on the Management Discussion and Analysis (MD&A) portion and asked Member Allen if he would like him to present the MD&A for the Urban Renewal Agency as well. Member Allen said that would be fine and it was decided Director Murzynsky would report on the MD&A for both the City and Agency. Alternate Member Saelens, was assigned to report on the highlights of the Note sections of the report. Director Murzynsky offered to assist Saelens with that part of the presentation. Chair Swanson offered to let Alternate Member Saelens know of the presentation assignment.

The committee discussed the order in which they would present the report and decided they would follow the order of the financial statements. Director Murzynsky stated he has not passed out the data the committee requested be distributed to the Council yet. This material consists of the audit report, a report created for the City Manager Spencer Nebel, and a Resolution adopting a Corrective Action Plan. Murzynsky stated he was waiting until a couple days before the meeting to distribute the information. It was decided that it should go out with the Council package.

The committee asked if there were any findings. Director Murzynsky reported that there were no actual findings, the prior period adjustments listed in the back of the audit as a footnote, are not actual findings. Member Rhodes added that the adjustments were not material. Director Murzynsky reported the adjustments listed in the footnotes were reported to Council when he presented the Corrective Action Plan to the City Council, approved by Resolution and is part of the data, which will be handed out to Council with the audit document.

The Committee requested the recording secretary Linda Wertman; create an email the Committee a Presentation Schedule that identifies which section each committee member is assigned to present. The list is attached to these minutes as Attachment 1.

IV. PUBLIC COMMENT

No members of the public were present, and no comments provided.

V. SCHEDULE NEXT MEETING

The committee discussed the upcoming meeting schedule and noted that actual dates will depend on the Auditors schedule for the on-site visits. Meetings will take place at the end of the week during the auditor's fieldwork sometime in late May or June as their schedules allow. Another meeting will occur sometime in October, another in January prior to filing and the last one in the cycle will occur sometime in February of each year.

VI. ADJOURNMENT

Meeting adjourned at 10:59 a.m.

Attachment 1

**Audit Committee Presentation to Council Schedule
March 5, 2018 at 6:00 p.m.
Council Chambers**

PRESENTOR AUDIT SECTION

URA

David	Full presentation
Mike	Management Discussion and Analysis (MDA)

CITY OF NEWPORT

David	City overview
Mike	MDA
Glenda	Independent Auditor's Report – Opinion
Laura	BALANCE SHEET: Statement of Net Position Balance Sheet
Glenda	INCOME STATEMENTS: Statement of Revenues, Expenditures and Changes in Fund Balance Statement of Activities Budgetary Comparison Statement Statement of Net Position Statement of Cash Flows
Mark/ Mike	Summary of Notes to the Basic Financial Statements Mike will assist
Mike	Supplementary Information (Compliance Section Presented to Council with Action Plan Previously)
Laura	Overall Audit Summary