

**CITY OF MCMINNVILLE**  
**AUDIT COMMITTEE MEETING MINUTES**  
**03/11/2025**  
**5:00 pm**

**Audit Committee:** Kim Morris, Mayor  
Jessica Payne, City Councilor  
Meredith Maxfield, Budget Committee member

**Staff:** Katie Henry, Finance Director  
Ronda Gretzon, Financial Services Administrator

**Also present:** Tonya Moffit, Merina and Co.

The meeting was called to order at 5:00 p.m.

1. Consider approval of the minutes from the 1/23/2024 Audit Committee Meeting  
Meredith moved to approve the January 23, 2024, meeting minutes. The motion was seconded by Kim and passed 3-0.
2. City of McMinnville Annual Comprehensive Financial Report for the Year Ended June 30, 2024

Tonya Moffit, Merina and Co., presented the annual comprehensive financial report. The audit had been completed for both the City and Urban Renewal, and they had issued an unmodified, or clean, opinion. The opinion was limited to the basic financial statements and supplementary information. They applied limited procedures to the management's discussion and analysis and to the ten-year schedule. The introductory and statistical sections were not audited. They anticipated the City would receive the annual Certificate of Achievement for Excellence in Financial Reporting Award. She gave an overview of the financial statements including the statistical section, management's discussion and analysis, statement of net position, Urban Renewal, McMinnville Water & Light component, deferred outflows of resources, liabilities, deferred inflows of resources, and total pension liability. She explained the pension liability volatility and discount rate as well as schedule of contributions for pensions. She thought as long as the City was making the required contributions, they would cover the future pension liability.

Katie explained how they were able to estimate the contributions for a three-year projection only because PERS costs could not be estimated accurately after three years.

Tonya continued with a discussion on the statement of activities, governmental fund financial statements, fund balance, reconciliation of the balance sheet of

governmental funds to the statement of net position, statement of revenues, expenditures, and changes in fund balance, and other financing sources and uses.

There was discussion regarding charges for services and PERS contribution rate.

Tonya explained the reconciliation of the statement of revenues, expenditures, and changes in fund balance to the statement of activities, proprietary funds, statement of revenues, expenses, and changes in net position, and statement of cash flows.

There was discussion regarding the transfer between Wastewater and Urban Renewal for the purchase of the RB Rubber Company property.

Tonya said no restrictions were placed on the audit and there were no new significant accounting policy changes. There were no transactions that lacked authoritative guidance. There was only one finding for both the City and Urban Renewal budgets where the expenditures in the Urban Renewal Fund exceeded appropriations for the year ending June 30, 2024. The amount over was \$2,599, which was transferred out to other City funds. This was a typical finding when bills were sent out after the fiscal year ended or the total amount was unknown until the end of a project.

### 3. Urban Renewal Agency Financial Statement for the Year Ended June 30, 2024

Tonya said the Urban Renewal Agency audit had been issued an unmodified, or clean opinion. She discussed their financial statements including the statement of net position, statement of activities, balance sheet, statement of revenues, expenditures, and change in fund balance, and budget to actual statement.

### 4. Report to the Honorable Mayor and City Council for Fiscal Year Ended June 30, 2024

- Auditor Communication to Those Charged with Governance

Tonya would be presenting the audit to the Council at their meeting this evening.

### 5. FY2024-25 Audit Cycle Planning

Katie said they only had one more year with Merina and they would need to go out for an RFP for a new auditor. She asked if the Committee wanted to be involved in the scoring or have staff do it.

There was consensus for the Committee to be involved. Tonya had a sample RFP that could be used.

### 6. Other Items for Discussion

None

The meeting was adjourned at 5:57 p.m.