

## **AUDIT WORKSHOP OF THE BOARD OF DIRECTORS**

February 20, 2019

1:00 p.m.

The meeting was called to order by Chairman Jim Hickey with Curt Lorenz, Mike Sims, Owen Nicholson and John Handler. Also present was Manager Bruce Halverson, Keri Scott, Janet Lease, and Kori Sarrett of Accuity LLC. Angie Burr was also present.

### **WORKSHOP**

The purpose of the workshop is to discuss the Annual Financial Report of June 30, 2018 as prepared and presented by Kori Sarrett of Accuity, LLC.

Kori congratulated the Nehalem Bay Wastewater Agency on a clean audit with no findings and no issues to address.

She referenced the Audit Opinion letter reporting no issues and addressing the two adjustments to Accounts Payable. The Summary of Unadjusted Differences accounted for an adjustment from Accounts Payable to the General Fund for of \$7,241 to clean up an entry. The second adjustment was to the General Fund for \$22,322 deferred revenue as simply a timing issue. Kori stated that neither adjustment is anything to worry about.

Kori stated that the new accounting pronouncement for GASB Statements does not affect the agency at this time and is not reflected on the Statement of Net Position. The GASB is health insurance related and requires the agency to pay more for current employees to cover retired employees. This will be evaluated each audit cycle to determine if the changing actuaries will result in a significant cost to the agency. Kori directed attention to the Statement of Net Position and the Total net position of \$14,371,400 with \$9,799,059 in capital assets, \$2,381,679 restricted for system development, and \$2,190,662 in unrestricted funds.

The Statement of Activities shows a negative change in net position of \$5,374. The agency almost "broke even" on the fiscal year. The Statement of Net Position-Proprietary Funds shows \$1,373,501 in cash carry over. The Statement of Cash Flows shows the general fund decreased by \$114,609, and again reflects the general fund as almost breaking even.

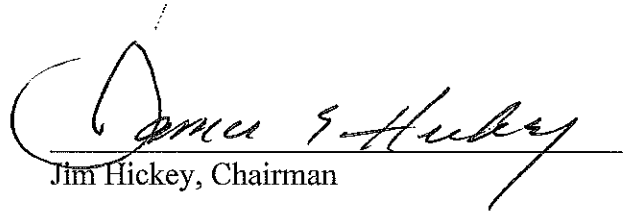
The Schedules of the Agency's Proportionate Share of the Net Pension Liability and Agency Contributions (Oregon Pers System) reviews the Agency's proportionate share of the net pension liability which has varied wildly from -\$44,753 in 2015 to \$357,612 in 2017 and seems to be stabilizing, now at \$309,356 unfunded liability.

Kori next reviewed the Schedule of Revenues, Expenses, and Changes in Fund Net Position-Budget and Actual noting the ending net position of \$1,436,449.

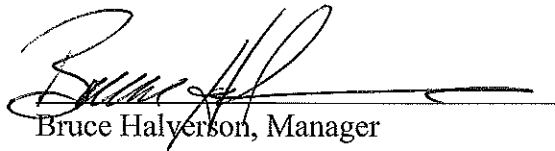
Before calling the workshop to a close, Kori reminded the agency of the upcoming Audit Workshop, hosted by Accuity on March 20<sup>th</sup> in Albany, OR. The agency is sending both the Executive Assistant and the Office Tech to participate in the workshop.

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With no further business Chairmen Hickey adjourned the meeting 1:22 pm.



Jim Hickey, Chairman



Bruce Halverson, Manager