

City of Decorah Council Budget and Finance Committee Audit review

Monday, February 5, 2018 – 5:00pm

The City of Decorah Budget & Finance Committee met on Monday, February 5, 2018 at 5:00pm. Chair Randy Schissel called the meeting to order and the following answered roll: Johanna Bergan.

Absent: Kirk Johnson and Andy Carlson

Mayor Lorraine Borowski, Dan Bellrichard, and Steve Luse were also in attendance. Others in attendance: City Clerk / Treasurer Wanda Hemesath and City Manager Chad Bird.

Agenda

1. Review of FY17 audit report

Neil Schrader and Amanda Webb from Hacker, Nelson & Co. presented the FY17 city audit. Schrader reviewed each of several funds. The report was that the city's financial condition is in solid and improving condition. Schrader noted that depreciation is helpful in reviewing an asset's useful life and replacement cost cycles.

Schrader pointed out several sections for the council to consider and he reviewed each of them; capital assets on page 25, note 3; long term debt, page 27, note 5; and the city's equity position, page 41, note 12.

Schrader also pointed out the new state required reporting on tax abatement agreements the city may have and noted that these are only development agreement based that requires a performance measurement, not entitlement abatement programs.

Webb noted the single audit on page 61 which was necessary because the city administered more than \$750,000 in federal funds. The Schedule of Expenditures of Federal Awards (SEFA) is necessary and is primarily due to several large airport projects.

Schrader pointed out the management letter and noted it contained general overview information especially #4 regarding city payments to council members and #10 a project balance for the Sweet Parkway Improvement Project.

Webb reviewed several graphical handouts regarding several aspects of the budget.

Schrader thanked the city staff for their work and generally noted the audit was clean.

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Schissel and Hemesath thanked Schrader and Webb for their work on the audit.

There was no other business and the meeting adjourned at 5:27pm.
Respectfully submitted,

