



O R E G O N

MARION COUNTY BOARD OF COMMISSIONERS

# Work Session Summary Minutes

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## Audit Presentation

April 29, 2025. 1:30 PM

Courthouse Square, 555 Court St. NE, Salem  
5th Floor, Suite 5232, Commissioners Board Room

### ATTENDANCE:

**Commissioners:** Kevin Cameron, Colm Willis, and Danielle Bethell.

**Board's Office:** Matt Lawyer, Chris Eppley, and Jan Fritz.

**Legal Counsel:** Steve Elzinga.

**Finance:** Sherry Downs, Jeff White, and Laura Hambrecht.

**Moss Adams:** Kevin Moore, and Amanda Moore.

Commissioner Danielle Bethell called the meeting to order at 1:34 p.m.

### **FY 23-24 Audit Discussion**

- Comprehensive audit presentation by Moss Adams for fiscal year 2024.
- Four detailed audit reports issued:
  - Independent auditors' report.
  - Oregon minimum audit standards report.
  - Governmental auditing standards report.
  - Federal awards report.
- Clean (unmodified) opinion on American Rescue Plan Act (ARPA) financial statements.
- Specific audit findings:
  - One non-compliance instance due to budget over-expenditure.
  - Detailed material weakness in CDBG award reporting:
    - Three sub-awards filed late.
    - One sub-award not filed at all.
- Reporting issue primarily related to federal reporting requirements.
- Corrective action plan required for future compliance.

### **Review FY 23-24 Annual Comprehensive Financial Report (ACFR)**

- Comprehensive financial statement review.
- No material audit adjustments needed.
- Detailed estimate assessments included:
  - Net pension liability.
  - OPEB (Other Post-Employment Benefits) liability.
  - Capital asset useful life calculations.
- Extensive internal control testing:
  - Revenue processes.
  - Capital asset management.

- Cash disbursement procedures.
- Verification procedures:
  - Debt balance confirmations.
  - Cash and investment verifications.
- No significant financial risks or unusual exposures identified.
- Thorough examination of accounting principles and reporting accuracy.

### **Review FY 23-24 Schedule of Expenditures of Federal Awards (SEFA)**

- Audit coverage of three major federal programs:
  - Community Development Block Grant (CDBG).
  - Women, Infants, and Children (WIC).
  - Coronavirus State and Local Fiscal Recovery Funds.
- Audit scope:
  - 50% coverage of \$333.5 million in federal expenditures.
- Audit results:
  - Unmodified opinions for all three programs.
  - Identified compliance issues with federal reporting.
- Consequences of reporting issues:
  - Increased federal expenditure testing required for the next two years.
  - Potential higher scrutiny in future audits.

### **FY 24-25 Audit Discussion**

- New accounting standards implementation:
  - Governmental Accounting Standards Board (GASB) 101: Comprehensive compensated absences reporting.
  - GASB 102: Enhanced risks and disclosures reporting.
- Moss Adams to merge with Baker Tilly in June:
  - No expected impact on audit team or processes.
- Detailed audit timeline:
  - May: Interim audit procedures.
  - October/November: Year-end testing.
  - December: Financial statement report.
  - March: Single audit report completion.

### **Discussion**

- Potential risk areas explored:
  - Union negotiation impacts.
  - Sanctuary state law implications.
  - Budget challenges in general fund departments.
- Planned internal audits:
  - Sheriff's Office assessment.
  - Clerk's Office cost analysis.
  - Potential future review of District Attorney's Office budget.

### **Other**

- Merger details of Moss Adams and Baker Tilly and commitment to:
  - Maintaining current audit team.
  - Providing enhanced industry insights.
  - Investing in improved audit technologies.

**Next Steps**

- Immediate action items:
  - Resolve CDBG reporting compliance issues.
  - Implement additional federal reporting training.
- Strategic planning:
  - Assess risks from potential funding constraints.
  - Conduct internal departmental budget reviews.
  - Prepare for new accounting standard implementations.

**Adjourned** – time: 2:32 p.m.

**Minutes by:** Mary Vityukova

**Reviewed by:** Gary L. White