

CITY OF GREAT FALLS AUDIT COMMITTEE
City Commission Chamber
2:00 pm
Audit Committee Minutes for
Thursday, December 5, 2024

1. Called to Order at 2:08 PM
2. Public Comments - None
3. Introductions of City Staff, Audit Committee, and Auditors

Those present were – Melissa Kinzler (MK) – Finance Director, Kirsten Wavra (KW) – Deputy Finance Director, Joe McKenney (JM) – City Commissioner, Greg Doyon (GD) – City Manager, Tom Hazen (TH) – Grant and Program Administrator, Cory Reeves (CR) – Mayor, Sarah Stanger (SS) – Auditor, Christine Jewitt (CJ) – Private Citizen/Committee, Jeff Heimel (JH) - Private Citizen/Audit Committee.

Absent – None.

4. Approve minutes from September 17, 2024 meeting
 - a. Comments - None
 - b. Motion – Commissioner Joe McKenney
 - c. Second – Mayor Cory Reeves
 - d. Abstain - None
 - e. Vote – Unanimous
5. Update on Agreed Upon Procedure for Veolia Contract
 - a. Comment – Sarah Stanger, Principal Accountant at Pinion, LLC. stated that Pinion is making good progress. Most of the testing is done at this point and the testers are only looking for better documentation on payroll/landfill at this time. Have not had any issues matching or tying out any of the figures provided.
6. Review and approve the Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR) with any suggested changes
 - a. Comments
 - i. Deputy Finance Director Kirsten Wavra gave an overview of report. Highlights include Introductory Section (p.1-6), Organizational Charts (p.4-5), Management Discussion and Analysis (p.10-19) summarizes in narrative the context. Basic Financial Statements (begin on p.20) Notes to Financial Statements (begin on p.40). Final Note on Subsequent Events (p.104, discusses anything financially material since FY end but prior to the publication of ACFR). No items met the threshold subsequent events

threshold to be reported. Financial breakdowns of the individual funds (begins on p.122). Statistical Section (begins on p.183). Single Audit (begins on p.230).

ii. Ms. Stanger pointed out that pages 7-9 contain the audit report. The Report is clean and unmodified. Page 234 summarizes the single audit section.

iii. Questions

1. Commissioner Joe McKenney asked for clarification on Subsequent Events threshold and nature of what is typical (good or bad).
2. Mayor Cory Reeves asked for clarification on the nature of debt issued by the City. Ms. Stanger stated that “Note 7. Long-Term Debt” gives an in-depth description of the different debt issuances utilized by The City. MK also explained a little more on debt.
3. Commission McKenney asked the following questions
 - a. Who looks at the ACFR? Deputy Director Wavra stated that credit rating agencies, non-governmental organizations (i.e GFOA), and financial institutions use the document.
 - b. Page 2 includes the Great Falls and Cascade County economic outlook. This mentions TDS, Tauro, Scheels Aim High, etc. Calumet is mentioned but should be expanded to include recent high dollar investments and should be a driver in the community.
 - c. P.15 – business type activities, what is included in “Other”. Deputy Director Wavra explained that “Other” includes other enterprise funds (rec center, dispatch, etc.) which are all listed on 151.

b. Motion – City Manager Greg Doyon moved that the ACFR be adopted with expanded language on Calumet

c. Second – Commissioner McKenney

d. Abstain

e. Vote - Unanimous

7. Review and approve Fiscal Year 2024 Draft Required Client Communication Letter and responses

a. Comments

i. Mayor Reeves asked for clarification on what the letter is.

1. Ms. Stanger explained that the letter is a summary of activity related to the audit. Nothing of negative note here. Audit went well.

a. What are some areas that may be of risk in the future? Only items of note are on page 4. These are not formal “findings” but opportunities for improvement.

i. Grant and Program Administrator Tom Hazen gave proposed responses to the notes.

2. City Manager Doyon asked if the term “board of directors” can be changed to Audit Committee? Ms. Stanger said yes.

3. Finance Director Kinzler asked if Ms. Stanger would be invited to the ACFR presentation to the City Commission on Dec. 17th? All agreed that would be beneficial.
 - a. Ms. Stanger reminded the committee that her position was to present the report and answer the City Commission's questions. She is not in a position to answer public's questions.
 - b. Motion – City Manager Doyon moved to approve the letter and the attached responses.
 - c. Second – Joe McKenney
 - d. Abstain
 - e. Vote - Unanimous
 8. Review DRAFT Request For Proposals for Audit Services and discuss how to proceed
 - a. Comments – Director Kinzler gave a quick survey on other Montana cities and how much they paid for annual auditing cost.
 - i. Ms. Stanger offered to give some comment on firms supplying proposals.
 - ii. Community representative Heimel asked if being local helped in the process.
 1. Ms. Stanger stated that location proximity offered more allegorical and logistical benefit than applied accounting expertise.
 2. Director Kinzler, Ms. Stanger, and Community Representative Jewitt all stated, in one way or another, that a fresh set of eyes is never a bad thing but may require more work.
 - iii. Commissioner McKenney asked the following:
 1. P.4 – FY 25 total taxable valuation – what is that?
 - a. Director Kinzler explained that figured included the City boundaries and all taxable property therein.
 2. P.6 – Paragraph 4 – what is significant additional work?
 - a. Director Kinzler explained that that could be testing or other federal requirements.
 - i. City Manager Doyon asked if that could that language be clarified a bit? Director Kinzler agreed to update the language.
 - b. Motion
 - c. Second
 - d. Abstain
 - e. Vote
 9. Meeting Adjourns – 3:26 PM