Audit Committee Agenda
(Municipal Audit Committee AMC 2.11.010)
December 3, 2025, 3:00 p.m.
City of Ashland Council Chambers, 1175 E. Main Street, Ashland, OR 97520.
This meeting was available to watch on Charter Cable Channel 180. The meeting can also be streamed via the internet by going to rvtv.sou.edu and selecting RVTV Prime.

Call to Order/Opening Remarks:
Meeting called to order at 3:01 p.m. by Interim Finance Director Bryn Morrison

Roll Call

Adams	Present
Morris	Present
Avis	Present
Kolodzinski	Present
Dahle	Present

Election of Chair
Thor Morris nominated and Jeff Dahle seconded the nomination for Linda Adams as committee chair. Discussion: None. **Roll Call Vote: Adams, Morris, Avis, Dahle: YES. Motion passed unanimously.**

Others:

Bryn Morrison	Interim Finance Director
Miranda Iwamoto	Accounting Manager
Keanna Khlafallah	Financial Analyst
Amanda McCleary-Moore	Moss Adams, LLP
Kim Reno	Moss Adams, LLP

Approval of Committee Minutes

Jeff Dahle moved and Thor Morris seconded a motion to accept of the Committee Minutes of October 7, 2025 and December 10, 2025 as presented. Discussion: None. **Roll Call Vote: Adams, Morris, Avis, Dahle: YES. Motion passed unanimously.**

Presentation by Independent Auditors – Moss Adams LLP

Bryn Morrison introduced the City's auditors from Baker Tilly, Amanda McCleary-Moore and Kim Reno, who presented the City of Ashland's comprehensive financial report as well as the management letter. Amanda McCleary-Moore and Kim Reno attended virtually via zoom.

Baker Tilly issued an unmodified (clean) opinion on the financial statements. There were no reportable findings concerning internal controls or compliance with Oregon requirements. There were no reportable findings in the Governmental Standards Auditing Report.

The City is subject to a single audit under Uniform Guidance because the City spends more than $750,000 in federal awards. The Office of Management and Budget did not release the compliance supplement on time this year and was further delayed due to the government shutdown. Therefore, the single audit was put on hold. The compliance supplement has recently released, and Baker

Tilly is working to complete the single audit. However, Baker Tilly did complete all the testing needed for the ARPA award. Baker Tilly did not discover any compliance findings or deficiencies in internal controls over compliance. Baker Tilly expects to issue a clean report over uniform guidance.

Due to turnover in the finance department, Baker Tilly did have to adjust the scope since signing the engagement letter to help draft the financial statements. They were comfortable in assisting with the financial statements while maintaining independence.

A new accounting standard, GASB 101 was implemented this year. Under this new accounting standard, the City had to evaluate compensated absences for all types of leave. Due to this new accounting standard, there is a small discrepancy between what the accounting standards say and what Baker Tilly's audit standards say.

GASB 102 was also implemented this year but did not have an impact to the City's financial statements.

GASB 103 and 104 will need to be implemented next year. Baker Tilly recommends that the City get started on GASB 103 implementation early because there will be a significant change to how the City's MD&A is presented.

Bryn Morrison expressed gratitude to Miranda Iwamoto, accounting manager, and her team for accomplishing a clean audit amidst staffing shortages.

Miranda Iwamoto thanked Baker Tilly for helping to draft the financial statements.

Report from Staff

Public Input

Discussion

Clarice Avis moved and Thor Morris seconded a motion to accept of the City Comprehensive Annual Financial Report. Discussion: None. **Roll Call Vote: Adams, Morris, Avis, Dahle: YES. YES. Motion passed unanimously.**

Adjournment: 3:28 p.m.

Respectfully Submitted: Keanna Khlafallah

City of Ashland, Oregon Audit Results

December 3, 2025

Communication with the Audit Committee

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Agenda

1. Engagement Team
2. Nature of Services Provided
3. Critical Audit Areas
4. Auditor Opinions/Reports
5. Internal Control Related Matters
6. Communications to Those Charged with Governance
7. New Standards

Engagement Team

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Nature of Services Provided

1 Audit the City financial statements in accordance with Generally Accepted Auditing Standards (GAAS) and Governmental Standards (GAGAS)

2 Assistance with, and technical review of each respective Annual Comprehensive Financial Report (ACFR) for compliance with Generally Accepted Accounting Principles (GAAP) as well as Government Finance Officers Association (GFOA) Certificate of Excellence requirements

3 Compliance testing/reporting under Oregon Minimum Audit Standards (OMS)

4 Single Audit of federal grant programs under Uniform Guidance – ON HOLD

5 Reporting – Overall audit plan, audit results, communicating internal controls findings and noncompliance

Critical Audit areas

- Internal Controls/IT Environment
- Cash & Investments
- Revenues & Receivables
- Capital Assets
- Long Term Debt
- Accrued Liabilities – PERS, Other Post Employment Benefits (OPEB)
- Grants
- Financial Close & Reporting
- Oregon Minimum Standards

Audit Opinion/Reports

Financial Statements

Unmodified (clean) opinion on financial statement

Oregon Minimum Standards

No reportable findings

Government Auditing Standards Report

No reportable findings

Uniform Guidance

ON HOLD

Communications to Those Charged with Governance

- Planned scope and timing
- Significant accounting policies
- Management judgments & accounting estimates
- Passed adjustment
  - Two types in current year (prior year reversal related to AR and Compensated absences)
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit

New Standards

GASB Statement No. 101, Compensated Absences – Implemented in current year

GASB Statement No. 102, Certain Risk Disclosures – Implemented in current year

GASB Statement No. 103, Financial Reporting Model Improvements – effective for June 30, 2026, fiscal year

GASB Statement No. 104, Disclosure of Certain Capital Assets – effective for June 30, 2026, fiscal year

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