

City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
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Meeting Minutes

Monday, December 19, 2011

6:00 PM

Guy C. Larcom, Jr. Municipal Building, 301 E. Huron St., Council
Workroom

Audit Committee

CALL TO ORDER

Chairperson Teall called the meeting to order at 6:04 p.m. in the 2nd Floor Council Work room, and Karen Lancaster recorded the minutes for members' information. A quorum of Committee members was present, and the meeting, having been duly convened, was ready to proceed with business.

Present: 4 - Margie Teall, Sabra Briere, Stephen Kunselman and Sandi Smith

Absent: 1 - Carsten Hohnke

Also Present Were:

City Administrator Powers

Others Present Were:

*Accounting Services Manager Lancaster
Alan Panter, Audit Partner with Abraham and Gaffney
Dave Askins, Ann Arbor Chronicle*

MATTERS DISCUSSED:**1. Selection of Audit Committee Chairperson**

The committee discussed how the chairperson for the Audit Committee was selected. It was agreed that the selection based on Council seniority was appropriate.

2. Presentation on City's Audit

The City's audit firm partner, Alan Panter, from Abraham and Gaffney, gave a presentation on the City's audit and highlighted items from the Comprehensive Annual Financial Report as well as the City's Single Audit on federal grants as follows:

- * The City has an unqualified audit opinion.*
- * The City's general fund has an unassigned fund balance of 13.6% of expenditures. The auditors recommend a minimum % of 12%-15%.*
- * \$127,000.00 was added to the General Fund fund balance for the fiscal year ended 6/30/2011. The adopted budget plan was to use over \$1 million in fund balance. No one specific reason caused the increase to fund balance.*
- * There was a question about miscellaneous revenue in the General Fund. Karen Lancaster will follow up with Audit Committee members on the detail of Miscellaneous Revenue.*
- * The City expended \$10 million in Federal grant monies during fiscal year 2011. There were no grant fundings for this year's audit.*
- * The City had one finding related to purchasing cards. The auditor indicated this was not a material weakness but was significant enough to report.*

3. Items regarding Audit Timing, DDA and Retirement System Audits

There was a discussion of various items regarding the audit timing and the DDA and Retirement System audits.

ACTION TAKEN:

Sandi Smith moved to accept the audit report and Sabra Briere seconded. Motion was approved unanimously.

ADJOURNMENT

The meeting adjourned at 6:53 p.m.