



## City of Goodyear

See meeting location  
below

### Meeting Minutes

#### City Council Subcommittee: Audit

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Wednesday, November 30, 2016

4:00 PM

Goodyear City Hall, Room 212  
190 N. Litchfield Rd.  
Goodyear, AZ 85338

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#### 1. CALL TO ORDER

Finance Director Doug Sandstrom called the meeting to order at 4:05 p.m.

#### 2. ROLL CALL

**Present:** 2 - Vice Mayor Lauritano and Councilmember Stipp

**Excused:** 1 - Councilmember Pizzillo

Staff Present: City Manager Brian Dalke, Finance Director Doug Sandstrom, Controller Rebecca Chitwood, Accounting Supervisor Chris Goeman, Senior Accountant Christen Wilcox, Management Assistant Khala Stanfield

Others Present: Heinfeld, Meech & Co., PC, Engagement Partner Jill Shaw, In-Charge Auditor Matt Miller

**MOTION BY Councilmember Stipp, SECONDED BY Vice Mayor Lauritano, to EXCUSE Councilmember Pizzillo from the meeting. The motion carried by the following vote:**

**Ayes:** 2 - Vice Mayor Lauritano and Councilmember Stipp

**Excused:** 1 - Councilmember Pizzillo

#### 3. CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR

None.

#### 4. OLD BUSINESS

None.

#### 5. NEW BUSINESS

##### 5.1 Discuss Comprehensive Annual Financial Report (CAFR)

Finance Director Sandstrom gave a high level overview of the the Comprehensive Annual

Financial Report (CAFR).

Page 3 indicates that our assets are greater than liabilities.

Statistical Section: Changes over time give a good overview. Net position shows that the last 10 years it has consistently gone up. Ending fund of \$96 Million. Increase of \$3M. Unassigned fund balance \$52.6 Million (increase from last year). The total net position was \$679.3 million at June 30, 2016.

Overtime, increases or decreases in net position are one indicator of whether the financial health of the city is improving or decreasing.

- Capital Assets - increased \$1 Million
- Restricted - increased \$10.5 Million
- Unrestricted - increased \$6.6 Million

Accounting Supervisor Goeman presented the Management Discussion and Analysis, basic financial statements, and supplementary information to the committee. Field work lasted a few weeks going over control testing and testing the balances of financial statements. This year the accounting staff prepared the financial statements.

Ms. Shaw gave an auditor's overview.

Audit is required per statute and broken into three parts:

- Independent Auditor's Report
- Internal Control Review
- Material Findings

The Government Auditor Standards Letter revealed there were no material findings/weaknesses.

The Highway User Revenue Fund report revealed there were no material findings/weaknesses.

Communication to Governance letter will be included.

Ms. Shaw presented the auditor's findings.

Vice Mayor Lauritano asked how our pension liabilities performed.

Pension liabilities increased; however, the city made the required actuarial contribution for each pension plan of the city. Additionally, the city prepaid annual contributions for Public Safety Personnel Retirement Services (PSPRS) in the beginning of the fiscal year to maximize returns on plan assets effectively reducing the pension liability. All plans are considered well-funded.

Councilmember Stipp inquired about Government Accounting Standards Board (GASB) 77 (Tax Abatements).

The city will have to disclose full extent of tax expenditures (outstanding). The city will get an opportunity to explain why we entered into these agreements.

Stipp would like to discuss and highlight the positive net position change and the pension liability.

Stipp requested that the Finance Director present to the Pension Board.

Sandstrom commented on the Cash Handling Procedures.

The Finance-Accounting Division will be doing an internal audit for the Parks Department regarding cash handling controls. The closing of the findings will be done by February 2017.

The Finance Department has been working on its cash handling procedures.

**6. INFORMATION ITEMS**

None.

**7. ADJOURNMENT**

There being no further business to discuss, Finance Director Doug Sandstrom adjourned the meeting at 4:55 p.m.

Respectfully Submitted by:

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Khala Stanfield, Management Assistant

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Doug Sandstrom, Finance Director

Date: \_\_\_\_\_