

EUGENE URBAN RENEWAL AGENCY

AGENDA ITEM SUMMARY



Action: Resolution Acknowledging Receipt of the Annual Financial Report of the Urban Renewal Agency of the City of Eugene for the Fiscal Year Ended June 30, 2014

Meeting Date: February 9, 2015
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Fionan Cronin
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ISSUE STATEMENT

This is a resolution acknowledging receipt of the Annual Financial Report (Report) of the Urban Renewal Agency (Agency) of the City of Eugene for the fiscal year ended June 30, 2014. This resolution demonstrates compliance with ORS 297.465(2), which requires that a copy of the Agency's financial report, containing a signed expression of opinion, be furnished to each member of the governing body. The resolution is included as Attachment A.

Typically, the Board would receive the Report at the first Board meeting in January. Due to the Ducks appearance at the National Championship game on January 12 and the Council Retreat on January 26, this meeting was the earliest for the Board to consider the resolution acknowledging receipt of the document. The Board already received the Report in the first week of January which allowed staff to provide it to the public sooner than early February. The document is located on the City's website at [City Financial Reports](#).

BACKGROUND

Under Oregon Municipal Audit Law, the Agency is required each fiscal year to contract with an authorized accounting firm for the audit of its accounts and fiscal affairs (ORS 297.425). The regional firm of Isler CPA (auditors) has completed the audit of the Agency's annual financial report for the fiscal year ended June 30, 2014, and issued an unmodified opinion on the basic financial statements.

The key portions are the two auditors' reports on pages 3 - 4 and pages 43 - 44. In the first report, the auditors have issued a "clean opinion" on the Agency's basic financial statement, indicating that the Agency has prepared the statements in conformity with generally accepted accounting principles (GAAP). GAAP for state and local governments is promulgated by the Governmental Accounting Standards Board to ensure consistency in accounting and comparability in financial reporting among state and local governments. A clean opinion is a fundamental financial goal for every government, as it represents the highest level of opinion a government can receive from its independent auditors. A clean opinion is an important indicator of sound financial management and creditworthiness to the citizens, other governmental jurisdictions (state and federal), credit rating agencies, investment bankers, bond holders, and other private sector entities.

In the second report, the auditors address the Agency's compliance with applicable provisions of Oregon Revised Statutes including requirements related to debt, deposit of public funds, preparation and adoption of the budget, accounting records and related internal control structure, etc. The auditors noted that nothing came to their attention that caused them to believe that the Agency was not in compliance with state regulations. The auditors conduct the audit of the Agency's basic financial statements in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations.

Management is responsible for the information contained in, and the preparation of, the Agency's financial statements. To effectively fulfill this responsibility and to contain the cost of auditor services, staff devotes significant effort to the closing of accounting records, the preparation of schedules and audit work papers, and the production of the Annual Financial Report. This also results in staff expertise being developed on specific financial and service issues that can then be used to assist departments and other pertinent parties.

RELATED POLICY ISSUES

Policy B.1 of the City's Financial Management Goals and Policies states that "The City will maintain an accounting and financial reporting system that allows reporting in conformance with Generally Accepted Accounting Principles and Oregon Local Budget Law and will issue a Comprehensive Annual Financial Report each fiscal year." This action signifies formal completion of this process for the fiscal year ended June 30, 2014, and demonstrates the Agency's compliance with the policy.

AGENCY OPTIONS

None.

AGENCY DIRECTOR'S RECOMMENDATION

The Agency Director recommends adoption of the resolution.

SUGGESTED MOTION

Move to adopt Resolution 1074, acknowledging receipt of the Annual Financial Report for the Urban Renewal Agency of the City of Eugene for the fiscal year ended June 30, 2014.

ATTACHMENTS

A. Resolution

FOR MORE INFORMATION

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