

**IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW, THE AGENDA WAS POSTED
December 7, 2023 AT 7:45 A.M. AT THE MUNICIPAL BUILDING,
723 SOUTH LEWIS, STILLWATER, OKLAHOMA**

**MEETING MINUTES
CITY OF STILLWATER AUDIT COMMITTEE
December 11, 2023 at 10:00 a.m.
Stillwater Municipal Bulding - Room 1112B
723 South Lewis Street
Stillwater, OK 74074**

1. Call Meeting to Order

Meeting was called to order by Secretary Christy Cluck at 10:01 am.

In the absence of the committee chair, Austin Pollard made a motion to serve as chair pro tem. Motion was seconded by John Killiam.

Pollard – yea, Domnick – yea, Killiam – yea. Motion carried 3-0.

2. Introduction of Members and City Staff

Members present: Austin Pollard, John Killiam, Rachel Domnick, Randy Murray (arrived at 10:05am)

Ex-officio members present: Councilor Kevin Clark, Finance Director Christy Cluck, City Manager Kimberly Meek

Members absent: Chair Kelly Cox

City staff present: Kimberly Carnley, Jared Thulin, Ashlyn Garis

Audit staff present: Andy Cromer, HSPG & Associates

3. Public Comment

No public comment.

4. General Orders

- a. Approval of minutes of the November 1, 2023 special meeting.

Racheal Domnick made a motion to approve the minutes as presented. Motion was seconded by John Killiam.

Pollard – yea, Domnick – yea, Killiam – yea, Murray – yea. Motion carried 4-0.

- b. Receive auditor communication and consider recommendation to the City Council to approve the Annual Comprehensive Financial Report for the City of Stillwater for the fiscal year ended June 30, 2023.

Andy Cromer reviewed the auditor communication letter and explained the responsibilities of an external auditor and the procedures used in the audit. Cromer reported that the City's Annual Comprehensive Financial Report was presented fairly in all material respects according

to Generally Accepted Accounting Principles (GAAP) and therefor was issued an unmodified audit opinion.

Christy Cluck reported to the committee concerns encountered during the course of preparing the City's Annual Comprehensive Finance Report (ACFR) in regards to the Stillwater Medical Center's (SMC) 2022 financial report which is included in the City's ACFR as a discretely presented component unit. The SMC audited report included note disclosures that did not agree to the financial statements, changes in beginning balances that were not explained and schedules that were not presented on the GAAP basis. City staff spent significant time working with the SMC's staff and auditors to receive updated and corrected information and additional explanations to insure that information presented in the City's ACFR was correct and transparent. Cluck will follow-up with SMC again after completion of the ACFR to discuss the concerns and impacts to future reports.

Jared Thulin provided answers to questions on the ACFR that were submitted in advance by John Killiam. Questions covered topics such as collateralization of SMC investments and explanation of restricted funds, pension liability, abated taxes and interfund loan balances.

Randy Murray made a motion to recommend to the City Council to approve the Annual Comprehensive Financial Report for fiscal year ending June 30, 2023. Motion was seconded by Rachel Domnick.

Pollard – yea, Domnick – yea, Killiam – yea, Murray – yea. Motion carried 4-0.

- c. Receive auditor communication and consider recommendation to the City Council to approve the Single Audit Report for Fiscal year ended June 30, 2023.

Andy Cromer reviewed the Single Audit Report and highlighted that the major program for fiscal year 2023 was the Airport Improvement Program and that the Single Audit is free of any findings, resulting in an unmodified opinion.

Rachel Domnick made a motion to recommend to the City Council to approve the Single Audit Report for fiscal year ending June 30, 2023. Motion was seconded by Austin Pollard.

Pollard – yea, Domnick – yea, Killiam – yea, Murray – yea. Motion carried 4-0.

- d. Receive auditor communication and consider recommendation to the City Council to approve the Passenger Facility Charge Program Audit for fiscal year ended June 30, 2023.

Andy Cromer reviewed the audit compliance report with the committee and reported that the Passenger Facility Charge Program was issued an unmodified opinion.

Randy Murray made a motion to recommend to the City Council to approve the Passenger Facility Charge Program Audit for fiscal year ending June 30, 2023. Motion was seconded by John Killiam.

Pollard – yea, Domnick – yea, Killiam – yea, Murray – yea. Motion carried 4-0.

- e. Consider recommendation to the City Council to select a firm for the external audit of the City of Stillwater and related trusts for the fiscal year ending June 30, 2024.

Christy Cluck reported that year one with HSPG & Associates went well and has no concern in continuing with the firm for a second year. Cluck provided staff's recommendation to engage HSPG & Associates for the external audit of the City of Stillwater and related trusts for the fiscal year ended June 30, 2024.

Randy Murray made a motion to recommend to the City Council to engage HSPG & Associates, PC for the external audit of the City of Stillwater and related trusts for the fiscal year ended June 30, 2024. Motion was seconded by John Killiam.

Pollard – yea, Domnick – yea, Killiam – yea, Murray – yea. Motion carried 4-0.

4. Adjourn

John Killiam made a motion to adjourn. Austin Pollard seconded the motion.

Pollard – yea, Domnick – yea, Killiam – yea, Murray – yea. Motion carried 4-0.

Meeting adjourned at 10:41 am.



Kelly Cox, Chair



Christy Cluck, Finance Director