

**MINUTES
SPECIAL JOINT CITY COUNCIL & BUDGET & FINANCE COMMITTEE MEETING
2013 AUDIT**

MARCH 24, 2014

Mayor Jeff Thompson called the meeting to order at 5:01 p.m. Council members present were Kay McDaniel, Donavan Mayer, Jean Soine, and Gene Beavers. Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant; Bill Ludwig, Liquor Store Manager; Paul Wegner, Police Chief; Belinda Ludwig, Finance Specialist; Sarah Utsch, CliftonLarsonAllen; and Elliot LaBeau.

Utsch presented the 2013 Audit and reported on the following:

- Management & Compliance Letters – no disagreements
- Internal Control Findings:
 - Segregation of duties
 - Audit adjustments
 - Financial statement preparation
- MN Legal Compliance Findings – none for 2013
- Federal Single Audit – suspension and debarment language missing from Bolton & Menk contract
- Revenue Sources
- City has 14 months of reserves and the State Auditor recommends 3-5 months
- Fund Balances
- Expenditures
- Debt Service Funds
- Capital Projects
- Water & Sewer Funds
- Liquor Store:
 - Inventory has increased
 - Sales are steady
 - Transfer out to the General Fund in the amount of \$42,500.00

There being no further business, the meeting was adjourned at 5:26 p.m.

Renee Eckerly, City Administrator