

MINUTES
PORT OF ASTORIA SPECIAL MEETING
FEBRUARY 19, 2010
PORT COMMISSION CHAMBERS

Vice Chairman Floyd Holcom called the Special Meeting to order and took roll call.

Commissioners present: Floyd Holcom, Dan Hess, Larry Pfund, and Bill Hunsinger via phone. Jack Bland is excused.

Staff present: Jack Crider, Colleen Browne, Rita Fahrney and Herb Florer.

APPOINTMENT OF BUDGET COMMITTEE MEMBER. *Commissioner Hess moved to re-appoint John Lansing for a three-year term on the Budget Committee. Commissioner Pfund seconded the motion. Motion carried unanimously.*

AUDIT PRESENTATION FOR FISCAL YEAR 2008/2009. Finance Manager, Colleen Browne, introduced Kammy Austin, Merina & Company, who will present the audit for 2008/2009. Kammy distributed a memo from Merina & Company to the Board and Management of the Port. She explained the memo summarizes the results and conclusions of certain matters required to be communicated to the Port. As shown on page one of the audit report, the Independent Auditor's Report expresses a "clean opinion" on the financial position of the Port of Astoria.

Kammy briefly reported on the findings:

- There were no restrictions on audit scope.
- There were no disagreements with management.
- No significant difficulties were incurred during the course of the audit.
- No new significant policies adopted or changed.
- Management judgments and accounting estimates were found to be appropriate.
- There was one prior period adjustment included in the financial statements: Grant receivables/revenue. In 2009 the Port received and recorded \$261,413 of grant revenues for expenses incurred in prior years. This amount has been treated as a prior period adjustment.
- One known uncorrected misstatement of the financial statements was noted with a total financial statement effect of \$5,965. This misstatement is due to prepaid rent being recorded in accounts receivable.
- Management decided to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. Management consulted with Moss Adams regarding financial statements presentation.
- Audit comments and disclosures required by State regulations found one instance of expenditures exceeding appropriations.

Kammy thanked the staff for all the assistance provided. The auditors received the full cooperation of the Port's management and staff and were given unrestricted access to the financial records to perform the audit.

Questions followed on how restricted funds are handled. Kammy explained there are several types of restricted funds – including funds that are legally restricted, debt covenant funds, grant funds and restriction from third party funds. Escrow funds can be considered “designated” funds in lieu of restricted.

Executive Director, Jack Crider stated compared to previous audits, this year's audit was able to be completed in a timely fashion. Previous audits entailed more work by auditors. This is the second audit prepared by Merina & Company and staff will now be able to do more of the preparation work before the audit, saving time and expense.

Vice Chairman Holcolm called for a motion to approve the Port of Astoria audit for fiscal year 2008/2009. Commissioner Hess so moved. Commissioner Pfund seconded the motion. Director Crider took roll call. The motion carried unanimously.

TONGUE POINT INVESTORS, MEMO OF UNDERSTANDING. Herb Florer, Property Manager, presented additional updated information on lease rate analysis and comparative values for commission review. No further action was taken.

There being no further business, the special meeting was adjourned.

A handwritten signature in black ink that reads "Daniel R. Hess". The signature is written in a cursive, slightly slanted style.