VOTE YES on HB 2110 Relating to municipal audits.

We are grateful to the Secretary of State's office for taking the time to thoughtfully review Municipal Audit Law, resulting in the proposed changes and updates submitted to this Committee for the 2023 legislative session.

A working group of municipal representatives, municipal auditors, other consultants, and professional organizations came together to discuss and provide feedback on the proposed changes and updates. This group represents a variety of perspectives and priorities - balancing transparency and accountability for our municipal organizations with the challenges that members of the group and their constituents are facing in complying with the current laws.

The participating individuals and organizations **are in support of the changes as proposed**, including:

- Elimination of the withholdings provision (ORS 297.466) - this penalty is ineffective and expensive for the State to carry out;
- Increasing the threshold for audit exemption from $500,000 to $1,000,000 (ORS 297.435);
- Increasing the cut off for In Lieu of Audit reports (ORS 297.435) – consensus on increasing to *at least* $250,000; and
- Replacing the Reviewed report requirement with targeted Agreed Upon Procedures (AUP) (ORS 297.435).

Other Amendment - Filing Fees

We understand that the Secretary of State intends to propose an amendment to increase filing fees to range from $40 to $500. This group does not object to the proposed increase.

We urge that you VOTE YES on HB 2110 to improve municipal audit law.

Submitted on behalf of:
Oregon Government Finance Officers Association
Special Districts Association of Oregon
Oregon Society of CPA's
Oregon Library Association
Summer Sears CPA, LLC
Tara Kamp, CPA, Partner – Pauly, Rogers and Co., P.C.
Brenda Bartlett, Partner – Sensiba San Filippo
Tonya Moffitt, CPA, Managing Partner – Merina + Co
Christina Shearer, Finance Director – Lincoln County
Heidi Reid, Administrator - Hebo JWSA, Cloverdale Water District, and Cloverdale Sanitary District