

CRCSO Audit Committee
Third Regular Meeting of the Fiscal Year
Orientation Meeting
12:00-1:30pm, December 16, 2020
Virtual-Zoom Meeting

Attendance:

Maureen Oviatt, Scott Arensdorf, Whitney Schreder, John Hammar, Jason Fisher, Drew Yoder, Chad Meyers, Janet Henry, Sherry Luskey, Sarah Brown, and David Nicholson

Absent: Gordon Epping

Guests: Tom Hoffman (Audit Committee historian/guest), Renee McPhee (Perspective Benefits Consulting), Linda Noggle (CRCSO-Human Resources), Brett Nitzschke (Lynch Dallas, P.C.-District Attorney), Chris Koeperich (RSM-Audit), and Jordan Valle (RSM-Audit)

Review and approve minutes from the September 9, 2020 and October 14,2020 committee meeting:

Maureen Oviatt asked for any corrections to the minutes. Whitney Schreder motioned to approve the minutes as written, it was seconded by John Hammar and the minutes were approved. Maureen noted that the November 18, 2020 Audit Committee meeting was cancelled due to COVID-19 related issues within the Communications department.

Review asset management procedures:

Sherry Luskey reported that Asset Works software is used to track District fixed assets and that other software applications track technology/nutrition inventories and library resources. She noted that a physical inventory is completed every five years (capital assets done in 2018) and that for FY2020 there were no asset findings by auditors. She reviewed the purchasing flow and reconciliation process for all assets greater than \$5000 (per board policy) and items greater than \$500 funded with federal dollars. Dave Nicholson added that in FY2022, when the new accounting system goes live (July 2021), a fixed asset module is part of the system and Asset Works will no longer be used. He noted that the District technology/nutrition/library departments will continue to track computer/tech equipment and other resources; video recordings will be used to track District property for insurance purposes. Discussion followed regarding the process for disposing of assets.

MIIP (Metro Interagency Insurance Program) Update:

Renee McPhee reviewed FY2021 medical insurance plan reports for the MIIP group (CRCSO, College CSD, Grant Wood AEA, Kirkwood, Linn-Mar and Marion). She noted that the CRCSO fund balance improved from a \$1.25 million starting deficit to a \$540K positive balance. She added that CRCSO recent plan changes pertaining to eligibility requirements and equalization of benefits have had a significant impact in the reduction of a 10-year negative balance trend. Discussion followed. Renee also noted the work of two consortium subcommittees, one is focusing on plan design/options and the other is focusing on by-law updates including fund balance protocols.

Review of pertinent District legal issues by District legal counsel:

Brett Nitzschke shared a November 16, 2020 legal letter prepared for the FY2020 audit. Discussion followed regarding insurance risk pools. He noted that there is only one minor litigation item pending. He reported that a first claim report is usually done with EMC (District Insurance) and that most claims are managed by them. Lynch Dallas, P.C. coordinates with them. Reports are provided monthly to District leadership. He noted that Lynch Dallas is included in the preventative review of Board policy for potential legal issues; policies reviewed this past year included the Facility Use Policy, Disposal of District Property and donations of property to the District. Discussion followed regarding litigation reporting to the audit committee.

Review financial health of the District:

Dave Nicholson reviewed FY2020 District financial highlights including key budget trends as shared at the BOE September 2020 meeting.

Review with independent auditors the annual audit work:

Jordan Valle indicated that a final summary of the 2020 audit results have not been finalized yet pending Federal compliance guidelines for ESSA (COVID-19) funding; it is slated to be released soon. He noted that to date, there were no material weaknesses or significant deficiencies to report. When final, the District is on track to receive a clean, unmodified opinion. Discussion followed regarding state compliance items as well as action steps needed when the final FY2020 audit report is completed.

Review of any financial complaint received and status of resolution:

Mr. Nicholson reported that there are no current complaints.

Review Other Items of Importance:

Dave Nicholson discussed:

- a) Standards & Poor (S&P) Report - Review of the District S&P Global Ratings report noting the A+ rating.
- b) Local Revenues Report - Review of the November 2020 report, explaining significant variances compared to the previous fiscal year.
- c) Monthly Summary Financial and General Fund (GF) Unspent Balance Report - Review of the October 2020 financial report of all funds as well as the Unspent Balance growth.
- d) Review previous meeting comments - None noted.

Scott motioned to adjourn the meeting, it was seconded by John Hammer and approved.

Meeting Adjourned at 1:30pm.

The next meeting of the committee will be on Wednesday, January 2020.

By: _____
Maureen Oviatt

By: _____
Sarah Brown