

AUDIT COMMITTEE MEETING
OCTOBER 1, 2014, 11:00 AM

MINUTES

In attendance:

Audit Committee: Sharon Roberts, Seana McPherson; Auditors: Betsy Allen, Susan Jones; Business Office: Ruth Gloede, Christy Prikkel

Miller Cooper presented the preliminary FY2013/14 audit results. The CAFR document presented is to be considered an “incomplete work product” until all figures are confirmed with the district and has completed Miller Cooper’s technical review.

Auditors reported the transition between the prior auditing firm and Miller Cooper went very well. They found the materials presented by the district to be of high quality and were pleased with the preparation and detailed back-up provided.

Auditors will be issuing an “unmodified opinion”, which represents new terminology. In the past this would have been referred to as an “unqualified opinion”.

It was reported that auditing firms may differ in their reporting. For example, Crowe Horwath reported the General Fund as the Educational, Operations and Maintenance and Working Cash Funds; Miller Cooper reports the General Fund as the Educational and Working Cash Fund. Committee members were encouraged to contact the district with specific questions.

No material findings were reported. Auditors reported that they saw the district had a practice in place to not paying sales tax with regard to P-Card purchases. Out of \$120 million in investments, only \$700 in accrued interest was considered non-collateralized.

Ruth highlighted the separate designation for facility improvements within the Operations and Maintenance Fund. The auditors suggested all 2530 expenditures be reported in the Capital Projects Fund and to transfer funds from the Operations and Maintenance Fund. It was their understanding that a board resolution was not required for this transfer. Also highlighted was the ending fund balance in the O&M Fund is at approximately 30% of the 14/15 Budget. Therefore, more funds will be directed to this fund in the future to re-build the fund balance. The Committee also reviewed the “Fiscal Year Overlap”, primarily related to the lighting upgrade project.

The Committee reviewed the State Financial Profile as reported in the AFR, showing the district retaining its Recognition status.

Miller Cooper will be presenting an overview of the financial results at the Oct. 14, 2014 Board meeting.

The meeting was completed at 12:30PM.