

Minutes  
Clark County School District  
Special Meeting of the Board of School Trustees

TELECONFERENCE ONLY

Joint Meeting with the Audit Advisory Committee

Monday, November 16, 2020

5:36 p.m.

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Roll Call:	<u>Members Present</u>	<u>Member Absent</u>
	Lola Brooks, President	Deanna L. Wright, Member
	Linda P. Cavazos, Vice President	
	Danielle Ford, Clerk	
	Irene Cepeda, Member	
	Chris Garvey, Member	
	Linda E. Young, Member	

Jesus F. Jara, Ed.D., Superintendent of Schools

Also present were: Mary-Anne Miller, Board Counsel, District Attorney's Office; Jason Goudie, Chief Financial Officer, Business and Finance Unit; Cindy Krohn, Director, Board Office; Joshua Robinson, Chair, Audit Advisory Committee; Eric Bashaw, Member, Audit Advisory Committee; Dr. Keith Rogers, Member, Audit Advisory Committee; Elsie Lavonne Lewis, Member, Audit Advisory Committee; John Hansen, Audit Manager, Eide Bailly LLP; and Tami Miramontes, Engagement Partner, Eide Bailly LLP.

**Adoption of the Agenda**

*Adopt agenda.*

*Motion: Cavazos    Second: Young    Vote: Unanimous*

**Public Comment on Agenda and Non-Agenda Items**

None.

**Presentation of the Annual Independent Auditor's Report for the Fiscal Year Ended June 30, 2020**

Presentation and discussion of the Annual Independent Auditor's Report for the Fiscal Year Ended June 30, 2020, by representatives from Eide Bailly LLP.

Mr. Goudie reviewed key items in the Comprehensive Annual Financial Report (CAFR), as shown in Reference 3.01(B), which included the Letter of Transmittal, Management's Discussion and Analysis, General Obligation Bonds Schedule, General Fund Balance Sheet, Property Tax Rates, Principal Property Tax Payers, Legal Debt Margin, Demographic and Economic Statistics, Principal Employers in Clark County, District Employees by Function/Program, and Cost per Student.

**Presentation of the Annual Independent Auditor's Report for the Fiscal Year Ended June 30, 2020** (continued)

Mr. Hansen reviewed the Annual Independent Auditor's Report for the Fiscal Year Ended June 30, 2020, as shown in Reference 3.01(A).

Trustee Garvey asked about an accounting error that had occurred and had been corrected and asked if staff felt that was an isolated incident.

Mr. Goudie explained that there were past adjustments that were identified and are considered immaterial and do not change the financial statements.

Trustee Garvey asked if the District's finance team has adequate resources and support.

Mr. Goudie said he believes they have adequate resources to ensure controls are in place and the accounting work is done appropriately.

Trustee Young asked about the reduction in expenditures due to school closures and how that is noted in the financial report.

Mr. Goudie explained that the actual expenditures are included in the financial statements and said those expenditures came in lower than what was budgeted and resulted in an increase in school carryover funds and an increase in the additional reserves.

Trustee Young asked about the use of funds for special education programs. She said the District is sometimes criticized for not supporting special education programs.

Ms. Miramontes explained that the audit looks at how the District is spending federal dollars and looks at whether the District is using those funds as intended along with other compliance requirements and internal controls.

Trustee Ford asked if the District utilizes an independent third-party firm to conduct the audit or if that is the same firm that is involved in the accounting of the District.

Mr. Goudie stated that Eide Bailly LLP is an independent third-party auditing firm, and CCSD engages that firm to perform the audit.

Trustee Ford asked if it is correct that Eide Bailly is involved in other process, such as balancing the books, as well as conducting the audit.

Mr. Goudie and Ms. Miramontes both answered, no, that is not correct.

Trustee Ford asked how anonymous transactions are handled, such as donations, to ensure that those transactions are verified and sound.

**Presentation of the Annual Independent Auditor's Report for the Fiscal Year Ended June 30, 2020** (continued)

Mr. Goudie said there are internal regulations and policies related to gifts that are the processes and controls used to manage gifts.

Trustee Ford asked if the policies allow for those anonymous gifts to be seen by the Audit Advisory Committee.

Mr. Goudie said he does not believe that falls within the Committee's purview. He said if there are concerns around the accounting, finance, or internal controls, the Committee would advise the Board of those concerns.

Trustee Ford asked if procedures when handling transactions related to COVID-19 are different from the normal procedures.

Mr. Goudie explained how COVID-19-related expenses covered under grants are handled.

Mr. Robinson talked about the function of the Committee, and he gave accolades to Mr. Goudie and his team for the preparation of the CAFR and in that there were no significant internal control issues that were reportable as evident in the report.

Dr. Rogers and Mr. Bashaw agreed with comments made by Mr. Robinson, and they thanked Mr. Goudie for his work, as well as the Eide Bailly team.

**Approve Independent Auditor's Narrative Report of Recommendations and District Responses to Recommendations for the Fiscal Year Ended June 30, 2020, and Independent Auditor's Statements on Nevada Revised Statutes Compliance**

Approval accept the Clark County School District's responses to the independent auditor's recommendations for the fiscal year ended June 30, 2020, with the written narrative and responses being incorporated by reference into the minutes of this meeting, and with the entire report being transmitted and filed as required in Nevada Revised Statutes (NRS) 354.624; and approval to accept the independent auditor's statements on NRS compliance for the fiscal year ended June 30, 2020, including the necessary corrective actions, if any, with the statements being transmitted and filed, as required in NRS 354.6245, as recommended in Reference 3.02.

Mr. Hansen highlighted some points in the Independent Auditor's Narrative Report of Recommendations and District Responses to Recommendations and Independent Auditor's Statements on Nevada Revised Statutes (NRS) Compliance, as shown in Reference 3.02.

Trustee Cavazos asked if there was any awareness or discovery of any actual or possible illegal or questionable payment.

Mr. Goudie and Ms. Miramontes both answered no and said nothing was identified as such.

**Approve Independent Auditor's Narrative Report of Recommendations and District Responses to Recommendations for the Fiscal Year Ended June 30, 2020, and Independent Auditor's Statements on Nevada Revised Statutes Compliance** (continued)

*Motion to approve the Clark County School District's responses to the independent auditor's recommendations for the fiscal year ended June 30, 2020, with the written narrative and responses being incorporated by reference into the minutes of this meeting, and with the entire report being transmitted and filed as required in Nevada Revised Statutes (NRS) 354.624; and approval to accept the independent auditor's statements on NRS compliance for the fiscal year ended June 30, 2020, including the necessary corrective actions, if any, with the statements being transmitted and filed, as required in NRS 354.6245.*

*Motion: Garvey Second: Cavazos Vote: Unanimous*

*Trustee Young was not present for the vote.*

**Authorize 2019-2020 Recap of Budget Appropriation Transfers**

Authorization to include the Recap of Budget Appropriation Transfers between governmental functions of all funds for the period beginning July 1, 2019, and ending June 30, 2020, in the official Board minutes, as recommended in Reference 3.03.

Mr. Goudie presented the Recap of Budget Appropriation Transfers that happened throughout the year, as outlined in Reference 3.03.

*Motion to approve Item 3.03.*

*Motion: Garvey Second: Young Vote: Unanimous*

**Adjourn:** 6:52 p.m.

*Motion: Cavazos Second: Young Vote: Unanimous*