

# NOVATO SANITARY DISTRICT

Finance Committee Meeting Minutes

Meeting Date: December 3, 2018

A regular meeting of the Finance Committee of Novato Sanitary District was held at 3:13 p.m., Monday, December 3, 2018, at the District office, 500 Davidson Street, Novato.

COMMITTEE MEMBERS PRESENT: Members William C. Long and Jean Mariani.

STAFF PRESENT: General Manager-Chief Engineer Sandeep Karkal, Finance Officer Laura Creamer, and Administrative Secretary Julie Hoover.

ALSO PRESENT: Whitney Crockett, CPA-Supervisor, Maze and Associates

AGENDA APPROVAL: The agenda was approved as presented.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES:

- Consider approval of minutes of December 4, 2017 meeting. The meeting minutes of December 4, 2017 were approved as presented.

FISCAL YEAR (FY) 2017-18 DRAFT ANNUAL AUDIT:

- Receive report from the District's independent outside auditor, Maze and Associates, and review draft Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2018 and 2017, including draft audited financial statements. The General Manager introduced Whitney Crockett of Maze and Associates. He stated that Ms. Crockett would present the Comprehensive Annual Financial Report for the fiscal years ended June 30, 2018 and June 30, 2017 including draft audited financial statements.

Ms. Crockett introduced herself and stated that she had overseen the audit and the issuance of the District's Comprehensive Annual Financial Report (CAFR). She then gave an overview of the District's Annual Audit, and stated that Maze and Associates had concluded, based on their audit, that there was a reasonable basis for rendering an unmodified (unqualified) opinion. Ms. Crockett noted that the unmodified opinion is the highest rating given (cleanest possible opinion). She stated that the District's financial statements for the fiscal year ended June 30, 2018 are fairly presented, and conform to Generally Accepted Accounting Principles (GAAP). She stated that there were no major reporting changes and no material weaknesses when internal controls were reviewed.

Ms. Crockett continued, stating that Management adopted the provisions of Statement 75 – Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions (GASB 75) in accordance with the requirement that the full OPEB liability be presented on the District's current financial statement for the fiscal year ending June 30, 2018.

Discussion followed between the Committee Members, and Ms. Crockett.

At the conclusion of the discussion, Directors Long and Mariani warmly thanked Ms. Crockett for her work, stating that the report was clear and well written.

-Consider making a recommendation to the District Board to accept the audit and CAFR, subject to minor edits. Committee Member Mariani made a recommendation that the District Board accept the audit and CAFR, subject to minor edits, and Committee Member Long concurred.

- Receive draft "Memorandum on Internal Control and Required Communications for Year ended June 30, 2018" from the District's independent outside auditor, Maze and Associates. Committee Member Mariani made a recommendation to receive the draft "Memorandum on Internal Control and Required Communications for Year ended June 30, 2018" from the District's independent outside auditor, Maze and Associates, and Committee Member Long concurred.

ADJOURNMENT: There being no new business to come before the Committee, the meeting was adjourned at 4:01 p.m.

Respectfully submitted,

---

Sandeep Karkal  
Secretary

Julie Hoover, Recording