

**FINANCE COMMITTEE
MINUTES
May 15, 2025**

A meeting of the Finance Committee was held on Thursday, May 15, 2025, at 8:30 a.m. The Finance Committee offered both in-person and virtual connection.

Chairwoman Ann Nichols announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

In-Person: Ann Nichols-Chairwoman, Bill Long, Pat Edelmann, Seth Clayton, Leann Noga, and Greg Felt.

Virtual: Dallas May

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Kevin Karney - Vice Chairman

OTHERS PRESENT:

In-Person: Stephanie Shipley, Meg Scarlett, Chris Woodka, Lee Miller, and Gordon Dillon, SECWCD Staff, Mitch Downs and Alexis Shorey, CBIZ EBK.

Virtual: Patty Rivas, SECWCD Staff.

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of the April 17, 2025, minutes and asked if there were any corrections or additions. Hearing none, Mr. Clayton moved, seconded by Long, to approve the April 17, 2025 minutes. Motion unanimously carried.

ACTION ITEMS:

Financial Reports, Check Review, and Investment Report

Mrs. Shipley summarized the financial statements, check registers, and investment reports for the March and April 2025 accounting periods. Chairwoman Nichols then asked for a motion to accept the financial reports. Mr. Clayton moved, seconded by Mr. Edelmann, to accept the financial statements, check registers, and summary investment report for March and April 2025. Motion unanimously carried.

PRESENTATIONS:

2024 Audit

Mrs. Shipley explained that the 2024 audit report is still in draft form; however, no further changes are expected. It was clarified during the final stages of the audit process that the Management Representation Letter should not be signed until the Board has formally approved the audit. Additionally, the auditors cannot issue the final audit reports until the letter is signed. Once the Board approves the audit, Mrs. Noga and Mrs. Shipley will sign the Management Representation Letter, and the final audited financial statements will be released. Mr. Downs with CBIZ EBK then noted that Ms. Shorey would provide a condensed presentation on the 2024 financial statements and audit, as the committee received a detailed review at last month's Committee Meeting.

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Ms. Shorey gave a broad overview of the audit, stating that the audit team gave the District an Unmodified Audit Opinion, meaning that they feel very satisfied that the financial statements are materially accurate. There were no disagreements with Management, and there were no concerns with the information that was presented. There were no issues obtaining the information needed for the audit, Management was very responsive with all requests and the records appear to be well kept and complete, and the audit went very smoothly. Mr. Downs explained that a Single Audit was also performed, due to the amount of federal funding received by the District, and he explained that the requirements and testing done in a Single Audit are more pervasive than a regular audit. (A Single Audit is required when an organization receives more than \$750,000 in Federal funds).

Mr. Downs entertained questions to which Ms. Nichols asked about the potential additional significant deficiency brought up at the previous month's Committee meeting. Mr. Downs explained that CBIZ had initially disagreed with the investment leveling disclosure note. However, after further discussions with District staff and a review of the supporting documentation provided by the District, and issued by Wells Fargo, CBIZ ultimately agreed with the District's more conservative methodology used to support the disclosure note.

ACTION ITEMS:

2024 Annual Audit

Chairwoman Nichols asked for a motion to accept the 2024 Annual Financial Audit. Mr. Clayton moved to accept the 2024 Annual Financial Audit, seconded by Mr. Edelmann. Motion unanimously carried.

2024 Annual Financial Statements

Chairwoman Nichols explained that throughout the year the Finance Committee accepts the monthly financial statements, then after the annual audit the Committee approves the financials reports for the year. Chairwoman asked from motion to approve the 2024 financial statements. Mr. Clayton moved to accept the 2024 financial statements, seconded by Mr. Felt. Motion unanimously carried.

INFORMATION ITEMS:

Mrs. Noga explained that she and Mrs. Shipley have been working on a plan to adjust the District's payroll schedule. Currently, staff are paid on the 15th of each month for the entire month – effectively pre-paying employees for the final two weeks. Since this change will directly impact employees, the goal is to develop a transition plan that minimizes financial hardship on staff. As the plan progresses, updates will be made to the committee.

OTHER BUSINESS:

None

NEXT MEETING:

The next Finance Committee meeting is scheduled for June 19, 2025, at 8:30 am.

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ADJOURN:

Chairwoman Nichols adjourned the meeting at 9:04 a.m.

Respectfully submitted,

Meg Scarlett
Accountant