

MINUTES

An Audit Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Tuesday, February 28, 2017, in the District office at 155 Mason Circle, Concord, California

TRUSTEES PRESENT Jim Fitzsimmons, Chairperson
 Perry Carlston
 Michael Krieg
 Dan Pellegrini
 Diane Wolcott

TRUSTEES ABSENT Lola Odunlami

OTHERS PRESENT Vikki Rodriguez, Maze & Associates
 Craig Downs, General Manager
 Ray Waletzko, Assistant Manager

1. The Committee meeting was called to order at 10:04 A.M.

2. Roll call indicated that five trustees were present and one was absent.

3. PUBLIC INPUT ON NON AGENDA ITEMS

None.

4. APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON SEPTEMBER 13, 2016

** Motion was made by Trustee Pellegrini and seconded by Trustee Krieg to approve minutes from Committee meeting held on September 13, 2016. Motion passed

5. MEET WITH DISTRICT AUDITORS, MAZE & ASSOCIATES, FOR REPORT AND ANALYSIS OF DRAFT OF FISCAL YEAR 15/16 DISTRICT AUDIT AND MEMORANDUM ON INTERNAL CONTROL - Vikki Rodriguez of Maze & Associates gave a detailed explanation of the draft of the audited financial statements. She noted that the new GASB 72 was implemented. This GASB pronouncement was related to fair value measurement of assets but was considered inconsequential to the District operations. There was much discussion regarding the stating of net pension liabilities and Other Post Employment Benefits; and the future funding options for the District. The General Fund budget versus actual was discussed and it was stated that the District closed FY 15/16 with a positive net increase of approximately \$422,000. Ms Rodriguez explained that the District is on schedule for an unmodified opinion; which is the best opinion an agency can receive.

The District Memorandum on Internal Control was discussed. Ms Rodriguez noted the difficulties District staff had in implementing the new financial system accounting software; and the extra work that was required to get the payroll accounts to post correctly to the general ledger and other problems associated with the conversion. There was also discussion about the difficulties of implementing a new inventory/fixed assets tracking software and problems transferring correct data and the reconciling of fixed assets. It was noted that District staff continues to refine the implementation of the two new software programs and anticipates that future fiscal years will not experience the same challenges.

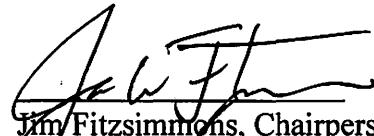
There was additional discussion about an attempt to avoid being in a situation during the next audit where we find there are problems we were not aware of prior to the audit commencing. There was discussion about conducting some type of interim audit this year to ensure we have corrected all missteps that resulted from the two new software introductions prior to the current year closing. After much discussion the committee agreed to recommend to the full board of trustees at the March 13, 2017, board meeting to set aside an amount not to exceed \$20,000 for either software consultants or Maze & Associates accounting staff to review the status year to date of procedures and accuracy of the District general ledger.

6. REVIEW AUDITOR CONTRACT FOR SERVICES - As per the direction of the committee at our last meeting September 13, 2016, Maze & Associates proposed a new three year contract for services with 3% annual increases.

** Motion was made by Trustee Pellegrini and seconded by Trustee Krieg to approve a new three year contract with Maze & Associates for District auditing services for fiscal years ended June 30, 2017, 2018 and 2019. Motion passed.

7. ADJOURNMENT - There being no further business, the meeting was adjourned at 11:14 AM.

I certify the above minutes were approved as read or corrected at a meeting of the Audit Committee held on September 26, 2017.


Jim Fitzsimmons, Chairperson
Audit Committee

AYES:

NOES:

ABSENT:

ABSTAIN: