

Monday, December 21, 2022
1:00 p.m.
Audit and Finance Meeting
NOTES

Members Present: David Couch (via zoom), Greg Orsini

Staff Present: Nicole Alvarado, Pat Kaspari, April Sousa (via zoom)

Guests Present: Chris Brown, Auditor

Meeting Called to Order at 1:06p.m..

Public Comment

- None

Review and Discuss Audited Financials for FY 2021-22

Chris Brown gave a review of the Audit.

- It was mentioned that this was an unmodified opinion.
- The format of the Audit was different from previous years, but the information same.
- Some changes from previous years were discussed; many changes were because of market returns.
- OPEB (Other Post-Employment Benefits) numbers and liabilities were discussed
- At the end of the presentation, it was noted that there were no material weaknesses in the Financial Statements.
- General Manager Kaspari asked clarifying questions regarding GASB96 on page 56 of the report and how it would affect the District. Chris will gather some information and get back to MCSD.
- Director Orsini expressed concerns on how Capacity Fees and general Revenues were reported. It was discussed that the audit would not necessarily reflect these numbers but internally, a report could reflect a separation of these revenues and how they are used.

After the Audit review, Director Orsini brought up the findings from the last Committee meeting on the 115 trust and wanted to retract the recommendation to the board.

- It was noted that because the funds were not in the budget to hold off on the additional 115 trust funding on top of the "Pay Go" funding until that can be put into the budget.
- The percent for each department was discussed as the budgeting would not be an exact "1" split.

- Director Alvarado stated that she would get the information regarding the percent each department pays for OPEB for the committee to review at a meeting in January.
- A meeting will be scheduled for January to approve a new recommendation to the Board at the February meeting. Staff will come with a recommendation for the committee to review.
- It was also discussed that the budgeting process is beginning and the extra \$200,000 over the "Pay Go" amount could be worked into the budget during this time.

Adjourn – 2:16 p.m.