



LOWER PLATTE SOUTH natural resources district

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Memorandum

Date: October 15, 2021
To: Each Director
From: Paul D. Zillig, General Manager
Subject: Finance and Planning Subcommittee Meeting

The Finance and Planning Subcommittee met on Tuesday, October 12, 2021 at 5:30 pm in the NRD Large Conference Room. Subcommittee members present were Bob Andersen, Lisa Lewis, Ray Stevens, Vern Barrett, Tom Green, Bruce Johnson, Gary Hellerich and Larry Ruth. Others present included Deborah Eagan, Peter Fellers & Mikaela Davis of HBE Inc., Kristin Bunttemeyer, David Potter and myself.

Chair Andersen called the meeting to order and a few introductions were made. Andersen asked Peter Fellers of HBE to report on the audit. Fellers reported that both Mikaela Davis and himself will be presenting the Audit Report for FY'21, for both the annual audit and the federal audit. Fellers reviewed a preliminary copy of the FY'2021 Financial Statements and Independent Auditor's Report as of the end of the fiscal year. Feller's report included an overview of the Independent Auditor's Report, that Management provided a Discussion and Analysis, the basic Financial Statements, required Supplementary Information, and Supplementary Information/Schedules for the annual audit.

Davis then reviewed the required State Statute reporting on income, maintenance, depreciation, employees, and bidding practices, a summary of Federal awards that resulted in the required Single/Federal Audit. Davis then reported on the Independent Auditor's Report on Internal Control over Compliance, and Schedules of Findings and Questioned Costs, and a Summary of Auditor's Results (page 34) and the Findings related to Material Audit Adjustments and Preparation of Financial Statements, Compliance for Reporting, and the Corrective Action Plan proposed by Management.

Davis and Fellers also reviewed the District's representation letter from Management confirming our responsibilities for financial statements and the information provided. They also reviewed the HBE letter to the Board and Management on strengthening internal controls and operating efficiency (attached).

The Subcommittee had several questions concerning the audit and letters, and discussed with HBE's their findings. A copy of the final audit will be attached to the minutes and available on the NRD website.

It was moved by Stevens, seconded by Hellerich, and unanimously approved by the Subcommittee to **recommend the Board of Directors accept the June 30, 2021 Fiscal Year 2021 Financial Statements and Independent Auditor's Report, including the Single (Federal) Audit.**

The next item on the agenda was to report on proposals received for the purchase of two vehicles. I reported that we asked for proposals from the automotive dealers in the District. Due to inventory shortages we didn't receive any proposals. Early in 2022 staff will evaluate the vehicle availability and consider asking for proposals. Bruce Johnson asked that the Subcommittee discuss at the next meeting our criteria for trading in vehicles, this will be scheduled for the next meeting.

The Subcommittee then further discussed and provided input on the proposed Board Planning Retreat to be held in early 2022. Staff proposed that the dates for the retreat will be Friday, February 25 (late afternoon start) thru Saturday, February 26, 2021 (adjourn by mid afternoon) at the Lied Conference Center in Nebraska City. The theme of the retreat will be "Improving Resiliency". Ralph Lassiter has agreed to again facilitate the retreat. The Subcommittee agreed with the proposal and will report those dates at the Board Meeting.

There being no further business, the meeting adjourned at 6:25 pm.

Encl. 2

pc: Steve Seglin & Corey Wasserburger