



REPORT OF THE AUDIT COMMITTEE

The Audit Committee met on Thursday, December 19, at 4:30 PM at the Cincinnati Public Schools Education Center in the Board Conference Room.

ATTENDEES

Audit Committee Members

Jennifer Couser, Jim Crosset, David Foote, Thomas D. Heldman, Daniel E. Holthaus, Carol Lawrence

Administration

Lauren Roberts, Internal Auditor; Jennifer Wagner, Treasurer; Kevin Ashley, Director of Financial Reporting; Isaac Karn, Internal Audit Intern; Jakob Snyder, Internal Audit Intern

Finance Committee

Melanie Bates, Ryan Messer

Plattenburg & Associates, Inc.

Jeremy Snellgrove

Community Member

Craig Rozen

Hinkle Filing Review: Plattenburg

Kevin Ashley, Director of Financial Reporting, introduces Jeremy Snellgrove from Plattenburg & Associates. Mr. Snellgrove explains what the Hinkle Filing procedures are along with what the Comprehensive Annual Financial Report (CAFR) procedures are, and what is done to complete them. The Hinkle Filing is mandated by the State but the CAFR is optional, but common among larger school districts. Mr. Snellgrove also explains why expenses fluctuate from year to year in accordance with School Employees Retirement System (SERS), which is noted in a large footnote in the CAFR. He then explains that his primary duties are to assist in updating records according to the Governmental Accounting Standards Board (GASB) requirements.

Mr. Snellgrove and Mr. Ashley wrap up remarks on the CAFR and Hinkle Filings.

Updates on Abatements

Ms. Roberts introduces Dan Hoying, General Counsel, who provides an update to the Committee regarding negotiations of a new abatement agreement with the City. The existing 20-year agreement, which expires on December 31, 2019, includes a rate of 25 percent plus a \$5 million annual payment from the City. The proposed 33 percent would not include that \$5 million payment. Mr. Hoying states that the Board's position regarding the rate of 33 percent has remained consistent throughout negotiations.

Proposed CPS Tax Incentive Review Committee:

Board member Melanie Bates leads the discussion about creating a Tax Incentive Review Committee, also known as TIRC, in the event an extension or new agreement with the City is not in place by January 1, 2020. She explains a TIRC will review the abatements that require District approval, and help advise the District on these matters. Ms. Bates extends an invitation to all Audit Committee members to join the TIRC. Audit Committee members Heldman, Holhaus and Crosset volunteered to join the TIRC.

Audit Status Report:

Ms. Roberts informs the Audit Committee the Audit Status Report has been included in their packets for their review. The report provides the status of all Internal Audit projects, as well as all external audits/reviews.

Executive Session:

Audit Committee member Tim Heldman motioned and Audit Committee member Clarice Warner seconded the motion to recess into Executive Session at 5:45 PM to Consider the Appointment of a Public Employee or Official and Consider the Employment of a Public Employee or Official. The vote was unanimous.

The Committee reconvened to public session at 6:03 PM.

ACTION: Audit Committee Chair Brian Ross will collect the Internal Auditor’s midyear evaluation/feedback forms from the other members by December 20, 2019, and complete her midyear evaluation. Mr. Ross will share the results of the evaluation with Ms. Roberts and submit it to Paul McDole, Director of Human Resources, by December 23, 2019.

Reappointment of Audit Committee Members:

Ms. Roberts read the reappointment terms of Audit Committee members Jim Crosset and Daniel Holthaus for a three-year term beginning January 1, 2020, and concluding December 31, 2022. Audit Committee member Jeff Orschell motioned and Mr. Heldman seconded the motion to reappoint Mr. Crosset and Mr. Holthaus for the stated term. Roll call was taken, the vote was unanimous.

ACTION: The Finance Committee will review the reappointments of Mr. Crosset and Mr. Holthaus at their next meeting. Upon the Committee’s review and agreement, the reappointments will go before the full Board of Education for final approval.

The current terms of Audit Committee Chair Brian Ross and member Jeff Orschell conclude on December 31, 2019. The Committee graciously thanked them for their invaluable contributions and many years of service on the Audit Committee.

ACTION: The Audit Committee will appoint a new Audit Committee Chair at their next meeting on February 26, 2020.

The meeting adjourned at 6:10 PM.

Audit Committee

- Brian Ross, Chair
- Jennifer Couser, *absent*
- Jim Crosset, CLM
- Christine Fisher
- David Foote, CPA, *absent*
- Thomas D. Heldman, CPA
- Daniel E. Holthaus, CPA
- Carol Lawrence
- Jeffrey L. Orschell, *absent*
- Clarice Warner
- Eve Bolton, Chair (Finance Committee), *absent*
- Melanie Bates (Finance Committee)
- Ryan Messer (Finance Committee)

Staff Liaisons

- Jennifer Wagner, CFO/Treasurer
- Lauren Roberts, CPA, Internal Auditor