



NEWARK UNIFIED SCHOOL DISTRICT  
Audit Committee

NUSD District Office, Board Library  
5715 Musick Avenue, Newark, CA 94560

November 3, 2017  
7:30 a.m.

**MINUTES**

I. **Call to Order**

Nancy Thomas called the meeting to order at 7:41 am.

II. **Roll Call**

In attendance by 7:35 am were Nancy Thomas, Francisco Preciado, Lynne Klein, Aaron Weisz, Kim Lola, Sarah Wilson and Cindy Parks. Bryan Richards arrived at 7:40 am. Pat Sánchez arrived at 7:45 am.

III. **Adoption of Agenda** (Discussion/Action)

Ms. Klein moved, Mr. Preciado seconded approval of the agenda for this meeting.  
The motion passed with 3 AYES (Lynne Klein, Francisco Preciado and Nancy Thomas).

IV. **Public Comments**

There were none.

V. **Approval of Minutes** (Discussion/Action)

Ms. Klein moved, Mr. Preciado seconded approval of the minutes from the September 27, 2017 meeting, provisional upon one correction being made. In the sentence: "Ms. Thomas recommended using unrestricted funds for instructional materials." The word "unrestricted" should be "restricted."  
The motion passed with 3 AYES (Lynne Klein, Francisco Preciado and Nancy Thomas).

VI. **FCMAT Report** (Discussion)

Regarding NUSD's 2017 FCMAT report, Mr. Richards discussed items on page 6; the two recommendations there apply to all school districts.

Mr. Sánchez said he asked FCMAT to look at our prior report from 2009 to tell us if we had done everything recommended then. Mr. Sánchez said he wants to create a fiscal recovery plan to make sure we're following the recommendations from both (2009 and 2017) FCMAT reports.

Ms. Thomas asked if it's possible to get a report re SACS. Mr. Richards said reconciliations need to happen. Regarding recommendations that start on page 20 of the report, Mr. Preciado suggested creating a timeline for implementing the recommendations.

Mr. Richards discussed that staff is working procedures manual for each desk. Ms. Lola added that such manuals already exist; Payroll staff is working on updating their manual.

VII. **Internal Controls: Associated Student Body (ASB) and School Connected Organizations (SCO)**  
(Discussion)

Ms. Thomas said donations for classroom supplies (for example) often go in to ASB and the Board never sees it.

Ms. Lola said there is a new process that has been communicated to Principals and Office Managers. Donations that don't come to the District Office are usually from elementary schools. Ms. Lola said keeping it in ASB makes sense since that gives OMs more control. Funds should be spent by year end. She struggles with getting staff to do what she's asked.

Ms. Klein suggested talking to the Treasurers of the parent clubs. Ms. Thomas said Board Policy says clubs are supposed to prepare a budget and give an accounting; she noted there is a SCO manual.

Mr. Sánchez said there should be annual training since parents move on from year to year.

VIII. **Food for Meetings and Celebrations** (Discussion)

Discussion of current practices for providing food for meetings and staff celebrations, including whether there is a need for an Administrative Regulation to ensure consistency and clarification of permissible expenditures.

Ms. Thomas said several years ago there was \$500 spent on a party. She asked if there should be training so everyone knows to not spend like that. Mr. Richards said existing policy does allow for recognition ceremonies. Ms. Lola said she has advised sites to use their Principal donation accounts for “welcome coffees” and such. Use of unrestricted funds OK too, for celebrations.

Ms. Thomas asked if there should be direction from the DO about what to do. Her concern is equity and consistency. Mr. Sánchez agreed that Principals should be in compliance. Mr. Preciado said he understands parents questioning spending money on celebration cakes when NUSD is in a budget crisis.

IX. **2016-17 Unaudited Actuals** - Restricted lottery spending (Discussion)

Ms. Thomas discussed object code 4100.

X. **2016-17 Unaudited Actuals** - Fund 40 (Ruschin) budget (Discussion)

Ms. Thomas asked why Ruschin fund not populated in the Unaudited Actuals. Mr. Richards said he can't show the same budget in two fiscal years at the same time for one-time funds. Ruschin will show up in the First Interim.

XI. **Developer Fee Expenditures** - Fund 25 (developer fees) expenditures (Discussion)

Ms. Parks had a comment: She reviews warrants. There was a charge to Fund 25, then the charge was reversed and charged to Fund 40. She questioned what Fund 25 should or shouldn't be spent on. She recommends a complete forensic audit of Fund 25. Justification studies (such as from Davis Demographics) are fine Fund 25 expenditures, in her opinion.

Mr. Sánchez said he asked Mr. Richards to get external legal opinion to determine. He's not sure if a whole forensic audit is needed, but he does want to find out.

Mr. Richards said development of long term facility planning is an allowed expense. The Whiteford Preschool relocation was moved to Fund 40. But modification of Musick Elementary (to accommodate what was Whiteford) stayed in Fund 25. Mr. Sánchez said a response for the Board is being prepared. Then a response for the public will be prepared.

Mr. Sánchez said the move to Whiteford was to stop an inequity that had been occurring so better to solve that legal problem then will move on to the lesser legal problem.

XII. **Future Meetings** (Discuss/Action)

The next Audit Committee meeting should be early to mid December. A Christy White auditor will be asked to call in to the meeting. December 15 is when the Audit Report gets filed with the state.

XIII. **NUSD Comments**

There were none.

XIV. **Audit Committee Member Comments**

There were none.

XV. **Adjournment**

The meeting adjourned at 8:30 am.