



Red Oak Community School District
604 S Broadway
Red Oak, Iowa 51566
712.623.6600
www.redoakschooldistrict.com

Special Board of Directors Meeting

Meeting Location: VIA Go to Meeting
See Website for Information

Wednesday April 14, 2021 – 5:00 pm

- Agenda -

1.0 Call to Order – Board of Directors President Bryce Johnson

2.0 Roll Call – Board of Directors Secretary Deb Drey

3.0 Approval of the Agenda – President Bryce Johnson

4.0 General Business for the Board of Directors

4.1 Old Business - none

4.2 New Business

4.2.1 Discussion/Approval of Engagement Letter Authorizing the Office of the Auditor of the State of Iowa to Review the Finances and Operations of the FFA Program

5.0 Reports – None

6.0 Next Regular Board of Directors Meeting:

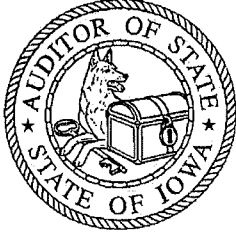
Monday, April 26, 2021 5:30 p.m.

Red Oak Inman Elementary

Red Oak Inman Elementary Campus

7.0 Adjournment

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OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

April 13, 2021

Mr. Ron Lorenz, Superintendent
Red Oak Community School District
604 S. Broadway
Red Oak, IA, 51566

To the Board of Directors and
Superintendent Lorenz:

We are pleased to confirm our understanding of the procedures we will provide the Red Oak Community School District. You have requested we review the financial transactions and operations of the Future Farmers of America Program (FFA). Our review will cover the current school year and the previous 4 school years or until we determine there was no improper action taken or until the period for which reliable records are no longer available.

Objective

The objective of our engagement is to address the allegations/concerns that have come to your attention regarding the District's FFA Program. We will assess controls and conditions at the District to determine if additional risks are present and if it will be necessary to evaluate other transaction cycles. The procedures are designated to focus on the financial processes of the District and compliance with Certain Code of Iowa requirements.

We will review selected records related to the FFA Program's financial transactions to determine propriety and whether adequate records are maintained. Our engagement will include examination techniques, which include, but are not limited to, examination of books and records, interviews of appropriate individuals, and other evidence gathering procedures as necessary. Based on the condition of records available, it is possible we may not be able to provide assurance at the completion of our testing that all improper transactions were identified.

We will provide a report on our findings, if any, regarding the procedures performed. If, for any reason, we are unable to complete any procedures, we will describe all restrictions on the performance of the procedures in our report. The report, which will not include opinions on financial statements, will include a statement the purpose of the report is to address the allegations/concerns identified by you. The report will also include any resulting recommendations pertaining to selected accounting records and related information of the District, including compliance with the District's policies and procedures and any applicable requirements established by the *Code of Iowa*.

Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. If we become aware the District is subject to an audit requirement not encompassed in the terms of this engagement letter, we will communicate to you the procedures we performed may not satisfy the relevant legal, regulatory or contractual requirements to which the District is subject.

General

This engagement includes examining the District's FFA Program's records and transactions for propriety. Therefore, our procedures will involve judgment about the number of transactions to be examined and the areas to be reviewed.

Because of the inherent limitations of the engagement, combined with the inherent limitations of internal control and because we will not perform a detailed examination of all transactions of the District's FFA Program, there is a risk additional improper disbursements and/or undeposited collections may exist and not be detected by us. However, we will inform the appropriate level of management of any fraudulent financial reporting or misappropriation of assets which come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse which comes to our attention. Our responsibility as independent accountants is limited to the period covered by our procedures and does not extend to any later periods for which we are not engaged.

Internal Control

Our procedures will include obtaining an understanding of the District and its environment, including internal control. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed.

Our procedures are not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, we will communicate to management and those charged with governance any matters involving internal control and its operations.

Compliance

As part of our procedures, we will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts and grant agreements, and other matters which are significant to this engagement. We will inform you of any violations of laws or governmental regulations that come to our attention during our procedures, unless clearly inconsequential. However, the objective of our procedures is not to provide an opinion on overall compliance and we will not express such an opinion in our report.

Management Responsibilities

Management is responsible for designing, implementing, establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities to help ensure appropriate goals and objectives are met, following laws and regulations and ensuring management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contract and grant agreements and other matters. You are also responsible for the selection and application of accounting principles.

Management is also responsible for maintaining adequate financial records, making all financial records and related information available to us and for the accuracy and completeness of the information. You are also responsible for providing us with access to all information of which you are aware is relevant to the engagement and providing us with unrestricted access to persons within the District from whom we determine it is necessary to obtain information and/or documentation. In addition, we understand you will facilitate communication with and requests for record from the FFA Booster organization.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the District involving (a) management, (b) employees who have significant roles in internal control and (c) others where the fraud could have a material effect on the financial data. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring the District complies with applicable laws, regulations, contracts and grant agreements and other matters and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements and other matters or abuse we may report.

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Management is responsible for establishing and maintaining a process for tracking the status of findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, previous agreed-upon procedures, previous performance audits or other engagements or studies related to the objectives discussed in the Objective section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, agreed-upon procedures, performance audits or other engagements or studies.

Other Matters

We will provide an electronic copy of our report to the District and other officials prior to the issuance of the report. A copy will also be provided to the District after the report has been issued, however, management is responsible for distribution of the report. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our report are to be made available for public inspection.

The documentation for the engagement will be retained for a minimum of six years after the report release date or for any additional period requested by regulators or other interested parties. If we are aware a federal awarding agency or entity is contesting a finding, we will contact the party(ies) contesting the findings for guidance prior to destroying the documentation.

If it becomes necessary for our staff to work on site at the District, we request you provide a high speed internet connection, if one is available and allowed by the security policies, for each of our staff members or permission to connect a switch to a single connection if that is available. We will use that connection to establish an SSL VPN connection to our network. If no internet connection is available, we may request permission to use a Verizon Hot Spot at your location to obtain an internet connection.

Billing

Our fees to perform the engagement of the District are based on the time necessary to perform the procedures at hourly rates for individual staff levels, necessary travel expenses at rates governed by State regulations, and other costs. The time necessary to perform the procedures depends significantly on the activities conducted by the District and the internal controls the District establishes over its activities, and the availability of records.

You may request we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement to perform the procedures. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Regards,



Annette Campbell, CPA
Deputy Auditor of State

RESPONSE:

This letter correctly sets forth the understanding of management.

Board of Directors Representative

District Management

By: _____

Title: _____

Date: _____
