

Audit Committee Meeting
Thursday, September 24, 2020
2:00 p.m.

(This meeting was held virtually via Zoom with live stream for public viewing)

PRESENT: Marie Johnson, Rob Rubin, Keith Odums, John Lumia (ex-officio) (arrived 2:19 p.m.)

Invited Guests: Joseph Heroux, Bonadio Group
Alan Walthers, Bonadio Group
Ms. Crandall, Assistant Superintendent of Finance and Business Development
Ms. Pedro, District Clerk

The meeting was called to order by the District Clerk at 2:05 p.m.

CALL TO ORDER

1.) Nomination and Appointment of Chair of Audit Committee

NOMINATION AND
APPOINTMENT OF
CHAIR

The District Clerk conducted the nominations for Chair of the Audit Committee. Rob Rubin nominated Marie Johnson to serve as Chair of the Audit Committee, seconded by Keith Odums. There were no other nominations. The committee voted to appoint Marie Johnson as Chairperson of the Audit Committee for the 2020-2021 school year.

2.) Appointment of public members to the Audit Committee

APPOINTMENT OF
PUBLIC MEMBERS

The Committee seeks community member(s). The District continues to post the opening on the district website. The Committee reviewed the letters that were submitted expressing interest in serving on the Audit Committee. Marie Johnson made a motion to appoint community member Christina Silva to serve as the community member on the Audit Committee, seconded by Keith Odums. Vote taken.

Yes: Marie Johnson, Keith Odums, Rob Rubin.

Not Present at Vote: John Lumia

Motion passed.

The District Clerk virtually administered the Oath of Office to community member, Christine Silva. Ms. Silva will sign the Oath and scan it back to the District Clerk who will notarize it.

3.) Review the Draft of the 2019-2020 External Financial Statements

REVIEW OF EXTERNAL FINANCIAL STATEMENTS

The Bonadio Group provided the following on the outcome of the 2019-2020 external audit:

External Financial Statements

The Communications Letter indicated there were no new accounting policies adopted this year. In addition, there are four significant estimates that affect the District's financial statements: asset depreciation; post employment benefits; compensated absences; and pension assets and liability. All of these estimates were determined to be reasonable.

Bonadio Group reviewed the Financial Statements.

The responsibility of the auditors is to express opinions about the financial statements by conducting control tests, substantive tests, and gathering audit evidence. During the summer, the District completed the audit process for the 19-20 school year. Bonadio Group was able to be on-site for three days during the audit. Information was also provided by the district through a secure portal.

In their opinion, the financial statements present fairly the financial position of the WCSD as of June 30, 2020. This is the highest level of assurance.

Pages 3-12 is the Management's Discussion and Analysis. Page 10 is the most important. It shows the original and final budget amounts for the general fund.

On page 13, the Total Net Position is a deficit of 697,343,415. This is not of concern because the Long-term liability for postemployment benefits obligation is \$1,040,605,552. Several years ago the Governmental Accounting Standards Board (GASB) implemented a net position reporting that includes ALL other post employment benefits (OPEB) for all current staff through their death to be reported. This is done via an actuarial valuation that the District has completed annually. This is a mandated reporting for all governmental entities and reflects the long term liability AS IF it were to be due and paid on June 30th of any given year. This would NEVER be the case.

On page 15, as of June 30, 2020, the Capital Project category shows a deficit of \$46,496,054; however, this is not a concern since the BAN will

be payable in the amount of \$52,621,418. The Lunch Funds shows a deficit of \$384,151.

The total fund balance is \$12,765,068. Of that amount, the district pre-paid health insurance in the amount of \$3,899,309; Liability claims and property loss and repairs of \$378,219; the district used \$3,750,000 to balance the 20-21 school year budget; NYS Aid was reduced in 2019-2020 by the Governor at a rate of 20% which is \$1,327,830 less in revenue received. This was a reduction in Fund Balance as well. **The unassigned fund balance is at \$3,409,710, which is within the 4% allowable by NYS.**

On page 19 is the Fiduciary Fund which is the extraclassroom account. There will be a new standard, GASB 84, which will be implemented on June 30, 2021. It will have the biggest impact on the extraclassroom accounts since it redefines fiduciary responsibility since employees act as the advisors. The Office of the State Comptroller is working on it and the District will be advised.

Page 20-51 are notes to the Financial Statements.

Page 51, item #14 a paragraph was added about the COVID-19 Pandemic.

Page 52 are the net results.

Pages 53, 54, and 55 detail TRS and ERS, and the post employment benefits plan.

On March 31, 2020, the funding percentage dropped for ERS to 86%. On June 30, 2019, the TRS funding percentage was 102%.

The District had an excellent outcome, receiving the highest opinion available to schools – unmodified report. Rob Rubin made a motion to recommend the external audit reports to the Board, seconded by John Lumia. Vote taken.

Yes: Marie Johnson, Keith Odums, Rob Rubin, John Lumia, Christine Silva.

Motion passed.

A draft of the External Financial Statements will be provided to the Board at the October 5th Board of Education meeting.

4.) Review of Tracking Spreadsheet

TRACKING SPREADSHEET

The Committee confirmed that they would like to continue to receive the tracking spreadsheet. They felt it was helpful. Ms. Crandall indicated that the Board will receive the June Financial Statement at the second Board meeting in October. It is not until the school year is closed out and the audit has been completed that the financial reports are provided to the Board. It is anticipated that the Board will receive the July, August, and September Financial Reports at the first board meeting in November. The Audit Committee will receive the 19/20 and 20/21 Tracking Spreadsheets at the next committee meeting.

5.) Review Audit Committee Meeting Dates

MEETING DATES

The Committee reviewed the proposed committee dates for the year. The Committee requested that Ms. Crandall provide the committee dates to the Internal Claims Auditor in case she would be asked by the committee to attend. Locations will be determined.

The Audit Committee scheduled the following meeting dates:

- November 16, 2020 at 5:30 pm
- January 25, 2021 at 5:30 pm (snow date February 8, 2021)
- June 7, 2021 at 5:30 pm

Adjournment

ADJOURNMENT

Motion to adjourn made by John Lumia, seconded by Rob Rubin. Unanimous. The meeting adjourned at 3:00 p.m.

Respectfully Submitted,

Alberta Pedro
District Clerk