

**Audit Committee Meeting
Monday, September 20, 2021
Virtual via Zoom with livestream**

PRESENT: Marie Johnson, John S. Morgan, Keith Odums, John Lumia (ex-officio)

Invited Guests: Joseph Heroux, Bonadio Group (left at 6:09 p.m.)
Alan Walther, Bonadio Group (left at 6:09 p.m.)
Ms. Crandall, Assistant Superintendent of Finance and Business Development
Ms. Pedro, District Clerk

The meeting was called to order by the District Clerk at 5:30 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. John Lumia nominated Marie Johnson to serve as Chair of the Audit Committee, seconded by John Morgan. There were no other nominations. The committee voted to appoint Marie Johnson as Chairperson of the Audit Committee for the 2021-2022 school year.

2.) Appointment of public members to the Audit Committee APPOINTMENT OF PUBLIC MEMBERS

Chair Marie Johnson nominated Christine Silva to serve as a public member on the Audit Committee, seconded by John Lumia. Vote Taken. Unanimous. Ms. Silva was appointed.

Chair Marie Johnson nominated Dawn Raymond to serve as a public member on the Audit Committee, seconded by John Lumia. Vote Taken. Unanimous. Ms. Raymond was appointed.

Chair Johnson advised the two public members that they had 30 days to take the oath of office before a notary public. They were welcome to schedule an appointment with the District Clerk or can take the statement to be notarized and returned to the District. District Clerk Pedro explained that the Executive Order permitting virtual notarizing of documents had expired. OATH OF OFFICE

3.) Review the Draft of the 2020-2021 External Financial Statements

REVIEW OF EXTERNAL FINANCIAL STATEMENTS

The Bonadio Group provided the following on the outcome of the 2020-2021 external audit:

External Financial Statements

An unmodified opinion is expected to be issued. This is the highest level of assurance that can be given. There were no material weaknesses in internal controls on the district's financial reporting.

A draft of the External Financial Statements will be provided to the Board at the 10/4/2021 Board of Education meeting. There is a draft Required Communications Letter. There was one new accounting measure during 2021; the GASB 84 which redefined trusted activities. There was a Bond Anticipation Note journal entry that wasn't posted timely. There were no deficiencies in internal controls.

There are two financial statements: The Government wide (which uses the full accrual method) and the General Fund. In the Government wide financial statements there is a net deficit of \$771 million and a \$960 million deficit in Other Post-Employment Benefit liability. It is important to understand that this is the same situation as in years past when the district was made to recognize other post employment benefits in the calculation through GASB 75. This is a large district and the deficit in this area is proportionate to your peers. This deficit is an actuarial estimate driven by collective bargaining contracts. President Lumia clarified that the Other Post-Employment Benefit is an actuary estimate of how much in total it costs for post employment benefits for retirees and current employees. Those estimates are run until the last person dies and then is discounted back. The pension piece for ERS and TRS also picks up a share of the total liability.

The District's unassigned fund balance this year (2020-2021) was 3.58% (\$9.2 million), which is under the 4% limit set by the State. The General Fund balance increased \$5.3 million to \$18.1 million (page 15). The Capital Projects Fund Balance decreased \$18 million but that will be offset when BANS are redeemed. The largest deficit was the School Lunch Fund. The district will be able to reduce this deficit this year due to the USDA waiver program

(free breakfast and lunch for all WCSD students during 2021-2022) and ala carte purchases.

The Management Letter will note the need to record the BAN transactions timely. A Corrective Action Plan will be prepared by the district and provided to the Board for approval. This will then be submitted to NYS as required.

GASB 87 was delayed one year. This involves inventory leases. Bonadio Group will assist the district with determining materiality. The district only has equipment leases.

Ms. Crandall clarified that the management letter citing was a journal entry reporting issue on paper; there were no money issues found.

The District had an excellent outcome, receiving the highest opinion available to schools – unmodified report.

4.) Review of Tracking Spreadsheet

TRACKING SPREADSHEET

The Committee reviewed 2020-2021 and 2021-2022 tracking spreadsheets. Ms. Crandall indicated that the Board will receive the June, July, and August Financials at the second Board meeting in October and November meeting. 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 September Financial Report, as well as the Corrective Action Plan at the first meeting in December.

5.) Review Audit Committee Meeting Dates

MEETING DATES

The Committee reviewed the proposed meeting dates. The location of the meetings will be determined based on the board meetings since the Audit Committee meets before scheduled board meeting dates. In addition, the committee will finalize the times. If the meeting is in-person the time will be 5:30 p.m. If the meeting is held virtually the time will be 5:00 p.m.

The Audit Committee scheduled the following meeting dates:

- November 15, 2021
- January 10, 2022
- June 6, 2022

Adjournment

ADJOURNMENT

Motion to adjourn made by John Lumia, seconded by John Morgan.
Vote taken. Unanimous. The meeting adjourned at 5:20 p.m.

Respectfully Submitted,

Alberta Pedro
District Clerk