

**Audit Committee Meeting**  
**Thursday, September 27, 2023**  
**District Office - Multipurpose Room**

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PRESENT: John S. Morgan, Chair; Marie Johnson; Keith Odums;  
John Lumia (ex-officio); Christine Silva (community member)

Invited Guests: Joe Heroux, The Bonadio Group  
Ms. Dainty, Assistant Superintendent of Finance and Business Development  
Ms. Pedro, District Clerk

1.) Welcome WELCOME

The meeting was called to order by Chair Morgan at 5:48 p.m.

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

The Committee received letters of interest from Christine Silva and Tina Sackett. Ms. Silva has participated as a community member on the Audit Committee for the last three years. Ms. Sackett was not in attendance due to a conflict in her work schedule.

Mr. Lumia nominated Christine Silva and Tina Sackett to serve as public members on the Audit Committee, seconded by Marie Johnson. Vote Taken.

Yes: John Morgan, Marie Johnson, Keith Odums, John Lumia. OATH OF OFFICE  
Motion passed.

District Clerk Pedro administered the Oath of Office to Christine Silva on this date, 9/27/23. Ms. Silva signed the oath book.

3.) Ms. Johnson moved to approve the minutes dated June 5, 2023, MINUTES  
seconded by Keith Odums. Vote Taken.

Yes: John Morgan, Marie Johnson, Keith Odums, John Lumia,  
Christine Silva.  
Motion passed.

Mr. Odums left at 5:51 p.m.

#### 4.) Review the Draft of the 2021-2022 External Financial Statements

#### REVIEW OF EXTERNAL FINANCIAL STATEMENTS

Motion to enter Executive Session to receive and review the draft annual audit and management letter was made by John Lumia, seconded by Marie Johnson.

Vote taken.

Yes: John Morgan, Marie Johnson, John Lumia, Christine Silva.

Not Present at Vote: Keith Odums

Motion passed.

The Bonadio Group provided the following on the outcome of the 2022-2023 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. An unmodified opinion is also expected on the extra classroom activities funds.

A draft of the External Financial Statements will be provided to the Board at the 10/3/2023 Board of Education meeting. There is a draft Required Communications Letter. There were no deficiencies in internal controls.

There were several new staff members involved in the audit process including: new staff from The Bonadio Group, two new senior accountants from the district, and a new vendor performing the actuary estimates for post employment benefits.

Included in the financial statements are the Statement of Net Position (which uses the full accrual method) and the Statement of Activities (fund accounting and reporting). In the Statement of Net Position there is a net deficit of \$740.8 million (page 14). 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 (OPEB) in the calculation through GASB 75. This is a large district and the deficit in this area is proportionate to other large districts. This deficit is an actuarial estimate driven by collective bargaining contracts. The State does not allow school districts to set aside funds for ERS/TRS pension benefits. Other Post-Employment Benefits is an actuary estimate of how much, in

total, it costs for post employment benefits for retirees and current employees. These estimates of future OPEB are made using life expectancy data, and then those expenses are discounted back utilizing an assumed interest rate. The pension piece for ERS and TRS also picks up a share of the total liability.

Mr. Odums returned at 5:58 p.m.

The Statement of Activities is a look at the current assets and liabilities minus depreciation and debt payment and capital purchases. The Statement of Activities is \$33.6M (pg 19) and is a district-wide fund accounting.

The District's unassigned fund balance this year (2022-2023) was \$18.4M (pg 52), which is over the 4% limit set by the State. The District plans to utilize \$1.7M this school year in the areas of K-8 special education, security, mental health and wellness, plus an additional \$3M in the 2024-25 school year. Conversations will continue on additional future plans by District administration and the Board of Education.

The District had an excellent outcome, receiving the highest opinion available to schools – unmodified report. At the 10/3/2023 Board meeting, the Bonadio Group (Alan) will present the draft Financial Statements to the Board of Education. The financial statements are due to NYS by 10/15/2023. A Corrective Action Plan will be prepared by the District and provided to the Board for approval on the 10/16/2023 agenda. This will then be submitted to NYS well within the 120 day requirement.

Joe Heroux, The Bonadio Group, left at 6:06 p.m.

Motion that the Financial Statements be recommended to the Board of Education made by Marie Johnson, seconded by John Lumia. Vote taken.

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

Motion passed.

5.) The Audit Committee members reviewed the draft Request for Proposal (RFP) for professional auditing services. Assistant Superintendent Dainty confirmed that the rubric will include three

EXTERNAL AUDIT  
RFP

years of pricing as well as any changes of services to ensure the vendor evaluation process is streamlined. There were no requests for changes to the RFP.

6.) The Audit Committee Charter is Policy 6690-E. The committee members reviewed the charter and no changes were recommended. The policy will be marked "reviewed 9/27/2023" in BoardDocs.

CHARTER

7.) Review of RFP Professional Services Calendar

RFP CALENDAR

The Committee reviewed the RFP Professional Services Calendar. It is provided for information purposes to ensure that the district is on track when issuing RFPs for professional services.

8.) Review of Tracking Spreadsheet

TRACKING  
SPREADSHEET

The Committee reviewed 2022-2023 and 2023-2024 tracking spreadsheets. Ms. Dainty indicated that the Board will receive the June Financials 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. The extra-classroom activities reports will be provided once the financial statements are approved. The remaining outstanding reports to the Board will be caught up by the end of November 2023 (July-October) as has been the practice in past years/

Assistant Superintendent Dainty shared that the external audit is usually conducted during the last week in July. This year there was a scheduling conflict with staff at the audit firm and the fieldwork did not happen until the week of August 14th. It ended up being fine and the District was assured the financial statements would be finalized by October 15th.

9.) 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. Ms. Silva noted that she is unable to attend the meeting on November 20th.

The Audit Committee scheduled the following meeting dates:

- November 20, 2023 at 5:30 p.m.
- January 8, 2024 at 5:30 p.m. (snow date 1/22/24)
- June 3, 2024 at 5:30 p.m.

Chair Morgan indicated that the board members will receive an update on the new hire for the position of Internal Claims Auditor at the next executive session.

Adjournment

ADJOURNMENT

Motion to adjourn made by John Lumia, seconded by Marie Johnson. Vote taken.

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

Motion passed.

The meeting adjourned at 6:18 p.m.

Respectfully Submitted,

Alberta Pedro  
District Clerk