



September 19, 2017

- PRESENT: Mr. Galletta, Mr. Odums, Mr. Sloshower Mrs. Kelland (ex-officio)
- ALSO PRESENT: Mrs. Herlihy
- Invited Guests: Joseph Heroux, Bonadio Group (left at 6:32 p.m.)  
Ms. Crandall, Assistant Superintendent of Finance and Business Development  
Ms. Pedro, District Clerk

There was no one from the public present.

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The meeting was called to order by the District Clerk at 6:01 p.m. CALL TO ORDER

1.) Pledge of Allegiance PLEDGE

2.) Nomination and Appointment of Chair of Audit Committee NOMINATION AND APPOINTMENT OF CHAIR

Eddy Sloshower nominated Paul Galletta to serve as chair of the Audit Committee, seconded by Peggy Kelland. There were no other nominations. The committee voted unanimously to appoint Paul Galletta as chairperson of the Audit Committee for the 2017-2018 school year.

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

Eddy Sloshower made a motion that Lisa Herlihy be appointed to serve as community member of the Audit Committee, seconded by Peggy Kelland. Unanimous. Chairperson Paul Galletta appointed Ms. Lisa Herlihy as a public member of the Audit Committee.

4.) Oath of Office Administered by the District Clerk OATH OF OFFICE

District Clerk Alberta Pedro administered the oath of office to Ms. Lisa Herlihy as public member of the audit committee for the 2017-2018 school year.

5.) Review the Draft of the 2015-2016 External Financial Statements EXTERNAL FINANCIAL STATEMENTS

The Bonadio Group provided the audit findings for 2016-2017:

*The District's unrestricted fund balance exceeds the 4% allowable limit.*



*Unrestricted fund balance of the General Fund is not to exceed 4% of the subsequent year’s expenditures budget in accordance with §1318 of the New York State Real Property Tax law.*

*Recommendation: The District should consider taking action to reduce the unrestricted fund balance to the allowable limit.*

The District's unassigned fund balance is at 6.84%. The allowable amount is 4%. There are a number of options that may be approved, such as perform additional capital project work, increase the repair reserve (voter approved), increase tax certiorari reserve (only required board approval and may only retain the money for four years) or return to the taxpayers.

Additional items to note include:

1. Pg. 13 – Net Position (GAP deficit of \$103 million) the long-term benefits and what it will cost which puts us at a \$103 million loss. The district is not allowed to fund this in a reserve.
2. Another change is the net pension assets in TRS, which is not actually an asset.
3. Pg. 53 – Supplementary Info shows fund balance reflective of page 64, along with the requirement to submit a corrective action plan within 120 days.
4. Pg. 48 – Tax Abatement – New GASB 77. We are required to disclose the amount of taxes that were abated, i.e. Adams Pilot (which will not renew) and the GAP Pilot in the amount of \$85,000.

The Board of Education will receive a corrective action plan (CAP) by November. However, the CAP does not require board approval.

Beyond this finding, the District had an excellent outcome, receiving the highest opinion available to schools – unmodified report. The financial statements are due to the State on October 16, 2017. A draft of the External Financial Statements will be provided to the Board at the 9/25/17 Board of Education meeting.

6.) Announcements from Peggy Kelland

ANNOUNCEMENTS

- A. There is a budget workshop at DC BOCES on October 25 at 5:30 p.m. The cost is \$165. Please let the district clerk know if you plan to attend.
- B. Board President Kelland met with the Newburgh School District to discuss various committees and their functions. Mrs. Kelland shared that the Newburgh school district has an Audit and Finance Committee which also reviews the financial reports and meets on a monthly basis.



The committee agreed that Ms. Crandall will create a spreadsheet and provide an analysis of the board’s receipt of financial reports, extra classroom reports and external audit reports. The committee’s goal of having the spreadsheet is to ensure that the board is on track with the receipt of reports.

Ms. Crandall advised that once the financial statements are accepted by the Board, the June financial reports will be released.

The Internal Claims Auditor indicated in an email that her review finds incomplete forms, minor errors or incorrect forms being used. Ms. Crandall will gather the reports and identify the number of errors, along with the nature of the errors. This information, along with the percentage of errors found based on the number of items reviewed, will be provided to the committee at the November meeting.

7.) Review Audit Committee Meeting Dates

MEETING DATES

The Audit Committee scheduled the following meeting dates:

- November 20, 2017 at 6:00 pm
- February 20, 2018 at 6:00 pm (snow date February 27, 2017)
- April 24, 2018 at 6:15 pm at WJHS.

The agenda for the November 20<sup>th</sup> Audit Committee meeting will include the entrance interview with RBT, extra classroom Agreed Upon Procedures, and discussion of the item for the internal risk assessment. Ms. Crandall asked the committee members to submit items in advance so that RBT is prepared to provide feedback to the committee on the possible outcome of the requested review.

Mr. Slosower presented a few ideas for the internal risk assessment review, including: district wide safety, special education – to ensure that the money spent is aligned to the services received, as well as a review of Medicaid/STAC. A review of Transportation was mentioned as a possibility for next year.

Adjournment

ADJOURNMENT

The meeting adjourned at 7:00 p.m.

Respectfully Submitted,

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Alberta Pedro  
District Clerk