



September 20, 2016

- PRESENT: Mr. Galletta, Ms. LaValle, Mr. Sloshower Mrs. Kelland (ex-officio)
- ALSO PRESENT: Mrs. Herlihy
- Invited Guests: Joseph Heroux, Bonadio Group  
Mrs. Crandall, Executive Director of Finance and Business Development  
Ms. Pedro, District Clerk

There was no one from the public present.

The meeting was called to order at 6:00 p.m.	CALL TO ORDER
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1.) Pledge of Allegiance	PLEDGE
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2.) Nomination and Appointment of Chair of Audit Committee	NOMINATION AND APPOINTMENT OF CHAIR
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Peggy Kelland nominated Anne LaValle as chair of the Audit Committee, seconded by Eddy Sloshower. There were no other nominations. The committee voted unanimously to appoint Anne LaValle as chairperson of the Audit Committee for the 2016-2017 school year.

3.) Appointment of public members to the Audit Committee	APPOINTMENT OF PUBLIC MEMBERS
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Chairperson Anne LaValle appointed Ms. Lisa Herlihy as a public member of the Audit Committee.

4.) Oath of Office Administered by the District Clerk	OATH OF OFFICE
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District Clerk Alberta Pedro administered the oath of office to Ms. Lisa Herlihy as public member of the audit committee for the 2016-2017 school year.

5.) Review the Draft of the 2015-2016 External Financial Statements	EXTERNAL FINANCIAL STATEMENTS
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The Bonadio Group provided the audit findings for 2015-2016:

*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 4.85%. The allowable amount is 4%. In 2014-2015, the unassigned fund balance in excess of 4% was assigned to the creation and funding of a Repair Reserve in the amount of \$329,075 and the payment of capital project work (i.e.: Evans roof, WJHS auditorium floor and district-wide carbon monoxide detectors).

K. Crandall requested that Bonadio Group revise the recommendations to include the following options: increase the repair reserve fund (subject to voter approval), offset the bonding for the capital projects; make a one-time return to taxpayers.

President Kelland asked for clarification of the use of this money to offset the cost of settling the contracts. Ms. Crandall advised that this is not recommended as the costs associated with the contracts are recurring expenditures that can not be supported in the future budgets.

Chairperson LaValle asked about the process for each recommendation. To move funds to the repair reserve this would require a proposition and voter approval. A board resolution would be necessary to authorize the funding of existing capital projects. We would reduce the burden on the taxpayers by increasing the give back amount. The give back to taxpayers is currently \$3,750,000. This would occur during the 2017-18 budgetary discussions. K. Crandall will provide the Board with scenarios if we did increase the return to the taxpayers and if we did not.

The Board of Education will receive a corrective action plan that weighs the pros and cons of each option to address the .85% excess through capital project work, return to taxpayers, and increased repair reserve funding.

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 15, 2016. A draft will be provided to the Board at the 9/26/16 Board of Education meeting.

6.) Discuss Agreed Upon Procedures for the 2016-2017 School Year AUP

The Audit Committee will select an area to review the Agreed Upon Procedures



(AUP) for the 2016-2017 school year. This is not an audit but a review of internal controls. Each year there is \$4,500 set aside to review extra curricula activities or the welfare trust. In the past, the areas with the highest revenue flow were reviewed.

- Extra curricula activities – 2015-16
- Proscenium and Masque and Mime– 2014-15
- HS Yearbooks – 2011-12
- Student Government – 2012-13

The committee agreed by consensus to recommend the HS Yearbooks for review.

K. Crandall will send the last review to the committee through the district clerk.

7.) Review Audit Committee Meeting Dates

MEETING DATES

The Audit Committee scheduled the following meeting dates:  
 November 22, 2016 at 6:00 pm  
 February 7, 2017 at 6:00 pm (snow date February 22, 2017)  
 April 25, 2017 at 6:30 pm.

Adjournment

ADJOURNMENT

The meeting adjourned at 6:45 p.m.

Respectfully Submitted,

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Alberta Pedro  
 District Clerk