

## Audit Committee Meeting Minutes- September 15, 2021 at 5:35 PM

The audit committee meeting began at 5:35 pm on Wednesday, September 15, 2021 in the middle school library.

Present: Mary Bard, Karen Guerrette, Jim Froio, Bill Yard (arrived 5:40 pm), RJ Hartwell, and Tom Zuber from Mengel Metzger Barr auditing firm.

Tom detailed the audit process and summarized the complete audit using the executive summary. He reviewed total assets and liabilities as of June 30, 2021. Tom described the types of fund balances schools typically have, how much money can be allotted to the different balances, and where our school district landed at the conclusion of the 20-21 school year.

In the 20-21 year, \$2,388,000 was appropriated from fund balance to offset the budget to keep tax rates flat at 0% for the year. To reach the same 0% tax change for the 21-22 year, Tom reviewed the district is appropriating \$3,000,000 and that this should be closely monitored not to erode fund balance beyond this amount over the coming years so as to keep fund balances in a healthy amount.

The total net position decreased in 20-21 to \$15,538,429, a number that can fluctuate from year to year based on many factors. In the end, the district ended the year with an unappropriated fund balance at the cap of the NYS comptroller's 4.0% threshold.

The results of the 20-21 audit were communicated in a document titled "communicating internal control related matters identified in an audit" and were reviewed at the meeting. There were no material deficiencies noted. A prior year deficiency showed improvement in 20-21 compared to 19-20 (salary notices). Current year deficiencies in internal controls included an excess of \$5,297 in the school lunch fund and disagreement in three instances of daily production reports of school food purchases. Recommendations were made to fix for the 21-22 school year. A review of cyber risk management and GASB statement No. 87 leases was also reviewed. All prior year recommendations were implemented to the auditing firm's satisfaction and included: not exceeding the 4% maximum allowed by Section 1318 of the Real Property Tax Law in 20-21, no overpayments were made in payroll, written procedures described the process and procedures related to various business office functions, and the district has a procedure in place for the independent auditing of accounts payable vendor change reports.

Respectfully submitted by RJ Hartwell, Assistant Superintendent of Business and Finance