

Onteora Central School District Audit Committee--Minutes

September 9, 2019

Committee Members: Robert Curran, Drew Boggess, Kevin Salem, Robert Burke Warren, Wendy Wolfenson

Invited Guests: Victoria McLaren, Superintendent
Monica LaClair, Assistant Superintendent for Business
Debra D'Aprile, District Treasurer
Michael Rossi, External Auditor

- 1) Call to Order
 - a. Meeting was called to order at 9:35am
- 2) Attendance
 - a. Robert Burke Warren absent, all others present
- 3) Approval of Minutes – May 13, 2019
 - a. Drew Boggess first, Wendy Wolfenson second. All in favor
- 4) Review of Draft External Audit Report – Mike Rossi
 - a. Mike Rossi of West & Company went over the Financial Statement for the period ended June 30, 2019. They gave the district a clean opinion, which is the best opinion they can give. Pages 3 – 13 show the financials of the District in the full accrual basis, not the way the books and records are actually kept by the District. The full accrual shows a decrease in the District's Net Position of \$(21,012,135) mostly attributable to having to implement GASB75 that requires the District to recognize the entire liability for Post-Employment Benefits (OPEB), even though the District is a pay as you go entity with no legal ability to fund future OPEB costs. Schools cannot, however, fund for this liability. Districts are on a pay as you go system. Discussion and questions arose around health insurance and OPEB and the actuarial report that is supplied to the District. Seems that the actuarial assumptions used for this year, greatly altered the total liability as compared to last year. Currently the District is covering more retirees in health insurance than active employees. While there is currently nothing that a District can do, conversation regarding potential impacts with a single payer system or a Medicare for all was discussed.

Page 8 shows the reader that the District is heavily reliant on taxes and with a tax cap it limits the ability for the District to raise revenues. Page 14 is important as it shows the reality of the District's finances and how it operates. The District is holding its 4% unassigned which is important given the volatility that can occur during a school year. Page 18 shows the Agency fund, which are the Extraclassroom monies and the Private Purpose trust which holds the scholarship monies. Notes that cover pages 19 – 70 that cover all the topics related to the

financials, Pages 24-29 cover ERS/TRS notes, pages 32-34 discusses fund balance and what reserves can be used for. Page 35 talks about the future changes to GASB, page 38 tells the reader that the District is fully collateralized and page 39 shows the capital assets of the District. Page 40 shows the Districts' debt, which is very low. Pages 60-61 is the Federal grant audit opinion, which is required because the District receives more than \$700k in grant monies. Again, a clean opinion as management has a good handle on the finances. Page 62 lists what the District gets for money in grants. Page 66 is the ECA Audit. This audit is always qualified. ECA's are run on a cash basis of accounting and auditors have no way of knowing what happens at the actual events and no real measures can be done to tell them. Page 69 is the list of the ECA's the District currently has. Page 71 is the management letters, and the only comment were a few minor errors in posting to fund balance versus posting to expenditures and revenues.

Recommended Motion: The OCSD Audit Committee approves the draft Audited Financial Statements and Supplemental Schedules for the year ended June 30, 2019 for the Onteora Central School District and recommends that the Board of Education accept them.

a. Wendy Wolfenson first, Drew Boggess second. All in favor

- 5) Internal Audit Review - This is the year for Questar to do another internal audit. At the October meeting, the committee will discuss potential areas of audit.
- 6) External Audit RFP update – External audits are due next week. The committee will review external audit RFPs at the October meeting and decide whether to interview potential auditors or appoint an auditor based on RFPs received.
- 7) Meeting Schedule Review

Schedule of Audit Committee Meeting Dates for 2019/2020:

Monday, September 9, 2019

~~Tuesday October 1, 2019~~– Sept./Oct date TBD

Monday, December 9, 2019

Monday, March 9, 2020

Monday, May 11, 2020

All meetings begin at 9:30 am at Central Administration OCSD, Boiceville

- 8) Old Business - none
- 9) New Business - none
- 10) Adjournment - Kevin Salem first, Wendy Wolfenson second. All in favor.