

AMITY REGIONAL SCHOOL DISTRICT NO. 5 BOARD OF EDUCATION FINANCE COMMITTEE
DECEMBER 14, 2020 MEETING MINUTES
5:00 pm
100 Ohman Avenue, Orange, CT

COMMITTEE MEMBERS PRESENT

Patricia Cardozo, Matthew Giglietti, Sharon Huxley (remote), Joseph Nuzzo (remote), Dr. Jennifer Turner (remote), Christopher Browe (arrived 5:10 p.m.)

COMMITTEE MEMBERS ABSENT

None

STAFF MEMBERS PRESENT

Dr. Jennifer Byars, Theresa Lumas, Shaun DeRosa, Stephen Martoni, and Stefan Ciceron

BOE MEMBERS PRESENT

John Belfonti

1. CALL TO ORDER

Chairperson Cardozo called the meeting to order at 5:05 p.m.

2. DISCUSSION AND POSSIBLE ACTION ON MINUTES

a. Finance Committee Meeting – November 9, 2020

MOTION by Matthew Giglietti, Second by Joseph Nuzzo, to approve minutes as submitted

VOTES IN FAVOR, 4 (Cardozo, Giglietti, Nuzzo, Turner)

ABSTAINED, 1 (Huxley)

MOTION CARRIED

3. PUBLIC COMMENT

None

4. PRESENTATION AND POSSIBLE ACTION ON AUDITED 2019-2020 FINANCIAL STATEMENTS

Presented by Mike Van Deventer and Samantha Thomas, Mahoney Sabol

AMITY REGIONAL SCHOOL DISTRICT NO. 5 BOARD OF EDUCATION FINANCE COMMITTEE
 DECEMBER 14, 2020 MEETING MINUTES
 5:00 pm
 100 Ohman Avenue, Orange, CT

5. DISCUSSION AND POSSIBLE ACTION ON RETURNING UNSPENT FUNDS TO MEMBER TOWNS

MOTION by Matthew Giglietti, Second by Christopher Browe, to recommend the Amity Board of Education accept the Annual Financial Statements for the period ending June 30, 2020, and authorize the Superintendent of Schools to return to the Member Towns a balance of \$1,986,234, as follows:

Town of Bethany	\$ 364,924
Town of Orange	\$1,010,114
Town of Woodbridge	<u>\$ 611,196</u>
Total	\$1,986,234

VOTES IN FAVOR, 6 (unanimous)
 MOTION CARRIED

6. 2021-2022 BUDGET UPDATE

7. DISCUSSION OF MONTHLY FINANCIAL STATEMENTS

8. DIRECTOR OF FINANCE AND ADMINISTRATION APPROVED TRANSFERS UNDER \$3,000

9. DISCUSSION AND POSSIBLE ACTION ON BUDGET ON BUDGET TRANSFERS OF \$3,000 OR MORE

MOTION by Joseph Nuzzo, Second by Matthew Giglietti, to recommend the Board of Education approve the following budget transfer to cover the installation of the new heating supply line:

ACCOUNT NUMBER	ACCOUNT NAME	FROM	TO
05-14-2600-5715	Improvements to Bldgs/Contingency	\$53,420	
03-14-2600-5420	Repair & Maintenance		\$53,420

VOTES IN FAVOR, 6 (unanimous)
 MOTION CARRIED

MOTION by Matthew Giglietti, Second by Sharon Huxley, to recommend the Amity Board of Education approve the following budget transfer to cover the cost of operations including staff, personal protective equipment, distance learning tools and equipment, and cleaning supplies, \$362,730.

VOTES IN FAVOR, 5 (unanimous)
 MOTION CARRIED

ORG	OBJECT	COMMENT	FROM	TO
05142675	5111	Certified Salaries		\$ 226,578
05142675	5730	Equipment		\$ 63,263
05142675	5690	Other Supplies		\$ 25,231
05142675	5613	Maintenance Supplies		\$ 22,218
05142675	5112	Classified Salaries		\$ 18,340

AMITY REGIONAL SCHOOL DISTRICT NO. 5 BOARD OF EDUCATION FINANCE COMMITTEE
 DECEMBER 14, 2020 MEETING MINUTES
 5:00 pm
 100 Ohman Avenue, Orange, CT

05142675	5330	Professional Technical Services		\$ 3,981
05142675	5611	Instructional Supplies		\$ 2,155
05142675	5440	Rentals		\$ 1,270
05142675	5590	Other Purchased Services		\$ 382
05132212	5322	Instructional Program Improvement	\$ 3,015	
05132213	5322	Instructional Program Improvement	\$ 315	
01111005	5330	Professional Technical Services	\$ 330	
01111010	5330	Professional Technical Services	\$ 236	
01113202	5330	Professional Technical Services	\$ 937	
01132120	5330	Professional Technical Services	\$ 249	
01132220	5330	Professional Technical Services	\$ 85	
01132400	5330	Professional Technical Services	\$ 895	
02111010	5330	Professional Technical Services	\$ 300	
02113202	5330	Professional Technical Services	\$ 863	
02132120	5330	Professional Technical Services	\$ 345	
02132220	5330	Professional Technical Services	\$ 210	
02132400	5330	Professional Technical Services	\$ 1,095	
03111010	5330	Professional Technical Services	\$ 524	
03111011	5330	Professional Technical Services	\$ 75	
03113202	5330	Professional Technical Services	\$ 29,814	
03121203	5330	Professional Technical Services	\$ 2,625	
03132120	5330	Professional Technical Services	\$ 150	
03132220	5330	Professional Technical Services	\$ 2,000	
03132400	5330	Professional Technical Services	\$ 27,622	
04121200	5330	Professional Technical Services	\$ 3,375	
04121206	5330	Professional Technical Services	\$ 375	
04122151	5330	Professional Technical Services	\$ 9,000	
04132130	5330	Professional Technical Services	\$ 14,130	
04132140	5330	Professional Technical Services	\$ 6,375	
04132190	5330	Professional Technical Services	\$ 25,500	
05142600	5330	Professional Technical Services	\$ 2,700	
05142660	5330	Professional Technical Services	\$ 998	
01132400	5440	Rentals	\$ 387	
01142600	5440	Rentals	\$ 113	
02113202	5440	Rentals	\$ 144	
02132400	5440	Rentals	\$ 437	
03113202	5440	Rentals	\$ 11,679	
03132400	5440	Rentals	\$ 750	
03142600	5440	Rentals	\$ 536	
04121206	5440	Rentals	\$ 3,000	
01132400	5550	Communications	\$ 150	
02132400	5550	Communications	\$ 200	
03132400	5550	Communications	\$ 2,100	
05142320	5550	Communications	\$ 7,864	
05142350	5550	Communications	\$ 6,840	
01132400	5580	Staff Travel	\$ 98	
02132400	5580	Staff Travel	\$ 210	
03132400	5580	Staff Travel	\$ 675	

AMITY REGIONAL SCHOOL DISTRICT NO. 5 BOARD OF EDUCATION FINANCE COMMITTEE
 DECEMBER 14, 2020 MEETING MINUTES
 5:00 pm
 100 Ohman Avenue, Orange, CT

04121206	5580	Staff Travel	\$ 300
04132190	5580	Staff Travel	\$ 450
05132212	5580	Staff Travel	\$ 120
05132213	5580	Staff Travel	\$ 495
05142320	5580	Staff Travel	\$ 750
05142350	5580	Staff Travel	\$ 180
05142600	5580	Staff Travel	\$ 450
01132400	5581	Travel-Conferences	\$ 534
02132400	5581	Travel-Conferences	\$ 477
03111001	5581	Travel-Conferences	\$ 75
03111013	5581	Travel-Conferences	\$ 150
03132120	5581	Travel-Conferences	\$ 150
04121200	5581	Travel-Conferences	\$ 225
04132140	5581	Travel-Conferences	\$ 210
04132190	5581	Travel-Conferences	\$ 225
05132212	5581	Travel-Conferences	\$ 1,635
05132213	5581	Travel-Conferences	\$ 1,775
05142320	5581	Travel-Conferences	\$ 90
05142350	5581	Travel-Conferences	\$ 1,350
01113202	5590	Other Purchased Services	\$ 60
01132120	5590	Other Purchased Services	\$ 125
01132400	5590	Other Purchased Services	\$ 514
02113202	5590	Other Purchased Services	\$ 60
02132120	5590	Other Purchased Services	\$ 75
02132400	5590	Other Purchased Services	\$ 668
03113202	5590	Other Purchased Services	\$ 864
03132120	5590	Other Purchased Services	\$ 1,982
04132190	5590	Other Purchased Services	\$ 3,172
05132212	5590	Other Purchased Services	\$ 375
05132213	5590	Other Purchased Services	\$ 1,720
05142310	5590	Other Purchased Services	\$ 1,500
05142320	5590	Other Purchased Services	\$ 3,750
01111001	5611	Instructional Supplies	\$ 555
01111005	5611	Instructional Supplies	\$ 594
01111006	5611	Instructional Supplies	\$ 967
01111007	5611	Instructional Supplies	\$ 94
01111008	5611	Instructional Supplies	\$ 1,155
01111009	5611	Instructional Supplies	\$ 179
01111010	5611	Instructional Supplies	\$ 974
01111011	5611	Instructional Supplies	\$ 428
01111013	5611	Instructional Supplies	\$ 633
01111014	5611	Instructional Supplies	\$ 497
01111015	5611	Instructional Supplies	\$ 329
01111016	5611	Instructional Supplies	\$ 141
01132120	5611	Instructional Supplies	\$ 63
01132220	5611	Instructional Supplies	\$ 165
01142219	5611	Instructional Supplies	\$ 807
02111001	5611	Instructional Supplies	\$ 563

AMITY REGIONAL SCHOOL DISTRICT NO. 5 BOARD OF EDUCATION FINANCE COMMITTEE
 DECEMBER 14, 2020 MEETING MINUTES
 5:00 pm
 100 Ohman Avenue, Orange, CT

02111005	5611	Instructional Supplies	\$ 721
02111006	5611	Instructional Supplies	\$ 1,196
02111007	5611	Instructional Supplies	\$ 105
02111008	5611	Instructional Supplies	\$ 1,202
02111009	5611	Instructional Supplies	\$ 513
02111010	5611	Instructional Supplies	\$ 954
02111011	5611	Instructional Supplies	\$ 565
02111013	5611	Instructional Supplies	\$ 1,111
02111014	5611	Instructional Supplies	\$ 819
02111015	5611	Instructional Supplies	\$ 93
02111016	5611	Instructional Supplies	\$ 360
02132120	5611	Instructional Supplies	\$ 105
02132220	5611	Instructional Supplies	\$ 165
02142219	5611	Instructional Supplies	\$ 1,732
03111001	5611	Instructional Supplies	\$ 3,582
03111003	5611	Instructional Supplies	\$ 192
03111006	5611	Instructional Supplies	\$ 375
03111007	5611	Instructional Supplies	\$ 4,004
03111005	5611	Instructional Supplies	\$ 3,867
03111009	5611	Instructional Supplies	\$ 1,238
03111010	5611	Instructional Supplies	\$ 1,562
03111011	5611	Instructional Supplies	\$ 1,296
03111013	5611	Instructional Supplies	\$ 9,015
03111014	5611	Instructional Supplies	\$ 204
03111015	5611	Instructional Supplies	\$ 1,043
03111016	5611	Instructional Supplies	\$ 838
03111017	5611	Instructional Supplies	\$ 150
03121203	5611	Instructional Supplies	\$ 170
03132120	5611	Instructional Supplies	\$ 600
03132220	5611	Instructional Supplies	\$ 500
03132400	5611	Instructional Supplies	\$ 450
03142219	5611	Instructional Supplies	\$ 4,811
04121200	5611	Instructional Supplies	\$ 698
04121201	5611	Instructional Supplies	\$ 135
04121206	5611	Instructional Supplies	\$ 225
04122150	5611	Instructional Supplies	\$ 113
04132140	5611	Instructional Supplies	\$ 75
05132212	5611	Instructional Supplies	\$ 2,085
05132213	5611	Instructional Supplies	\$ 150
05142700	5627	Transportation Supplies	\$ 18,630
01132220	5642	Library Texts & Supplies	\$ 735
02132220	5642	Library Texts & Supplies	\$ 880
03132220	5642	Library Texts & Supplies	\$ 2,667
01111005	5690	Other Supplies	\$ 68
01111010	5690	Other Supplies	\$ 258
01111013	5690	Other Supplies	\$ 258
01111016	5690	Other Supplies	\$ 126
01113201	5690	Other Supplies	\$ 95

AMITY REGIONAL SCHOOL DISTRICT NO. 5 BOARD OF EDUCATION FINANCE COMMITTEE
 DECEMBER 14, 2020 MEETING MINUTES
 5:00 pm
 100 Ohman Avenue, Orange, CT

01113202	5690	Other Supplies	\$ 1,903
01132120	5690	Other Supplies	\$ 173
01132130	5690	Other Supplies	\$ 284
01132220	5690	Other Supplies	\$ 480
01132400	5690	Other Supplies	\$ 297
01142219	5690	Other Supplies	\$ 639
02111009	5690	Other Supplies	\$ 71
02111013	5690	Other Supplies	\$ 144
02111016	5690	Other Supplies	\$ 210
02113201	5690	Other Supplies	\$ 120
02113202	5690	Other Supplies	\$ 1,918
02132120	5690	Other Supplies	\$ 113
02132130	5690	Other Supplies	\$ 240
02132220	5690	Other Supplies	\$ 433
02132400	5690	Other Supplies	\$ 271
03111005	5690	Other Supplies	\$ 210
03111014	5690	Other Supplies	\$ 75
03111016	5690	Other Supplies	\$ 105
03113202	5690	Other Supplies	\$ 15,322
03121203	5690	Other Supplies	\$ 263
03132130	5690	Other Supplies	\$ 285
03132400	5690	Other Supplies	\$ 75
04121200	5690	Other Supplies	\$ 135
04121201	5690	Other Supplies	\$ 101
04121206	5690	Other Supplies	\$ 173
04122151	5690	Other Supplies	\$ 1,275
04132190	5690	Other Supplies	\$ 555
05132213	5690	Other Supplies	\$ 587
05142310	5690	Other Supplies	\$ 600
05142320	5690	Other Supplies	\$ 1,500
05142350	5690	Other Supplies	\$ 44,522
05142510	5690	Other Supplies	\$ 450
05142600	5690	Other Supplies	\$ 1,200
01111009	5810	Dues & Fees	\$ 94
01111010	5810	Dues & Fees	\$ 69
01111011	5810	Dues & Fees	\$ 75
01111015	5810	Dues & Fees	\$ 83
01113202	5810	Dues & Fees	\$ 75
01132400	5810	Dues & Fees	\$ 341
02111006	5810	Dues & Fees	\$ 75
02111010	5810	Dues & Fees	\$ 109
02113202	5810	Dues & Fees	\$ 60
02132400	5810	Dues & Fees	\$ 463
03111001	5810	Dues & Fees	\$ 75
03111003	5810	Dues & Fees	\$ 113
03111005	5810	Dues & Fees	\$ 93
03111006	5810	Dues & Fees	\$ 264
03111009	5810	Dues & Fees	\$ 60

AMITY REGIONAL SCHOOL DISTRICT NO. 5 BOARD OF EDUCATION FINANCE COMMITTEE
DECEMBER 14, 2020 MEETING MINUTES
5:00 pm
100 Ohman Avenue, Orange, CT

03111010	5810	Dues & Fees	\$ 167	
03111013	5810	Dues & Fees	\$ 1,125	
03111015	5810	Dues & Fees	\$ 188	
03111016	5810	Dues & Fees	\$ 90	
03113202	5810	Dues & Fees	\$ 5,156	
03132400	5810	Dues & Fees	\$ 2,100	
04132140	5810	Dues & Fees	\$ 189	
04132190	5810	Dues & Fees	\$ 105	
05142310	5810	Dues & Fees	\$ 3,450	
05142320	5810	Dues & Fees	\$ 675	
			\$ 362,730	\$ 362,730

10. Adjourn

MOTION by Christopher Browe, Second by Matthew Giglietti, to adjourn meeting

VOTES IN FAVOR, 6 (unanimous)

MOTION CARRIED

Respectfully submitted,

Pamela Pero

Recording Secretary



**Presentation to the
Finance Committee and Board of Education
Fiscal Year 2020 Audit Results**

**Amity Regional School
District No. 5**

Presented by:
Michael J. VanDeventer, CPA, Partner
Samantha A. Thomas, CPA, Manager

December 14, 2020

Agenda

- Scope of Work
- Auditor's Reports
- Financial Highlights
- Required Communications
- Questions

Scope of Work

Audit of Financial Statements performed in accordance with the following:

- Auditing standards issued by the American Institute of Certified Public Accountants
- *Government Auditing Standards* issued by the Government Accountability Office

Federal and State Single Audit performed in accordance with the following:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- State of Connecticut, OPM Compliance Supplement to the State Single Audit Act
- Applicable grant and contract agreements

Agreed-Upon Procedures on End of Year School Reports (EFS):

- Procedures required by the State of Connecticut Department of Education

Scope of Work *(Continued)*

Nonaudit Services:

- Assisted in the preparation of the financial statements and the schedules of federal awards and state financial assistance
- Assisted in the conversion of the governmental funds financial statements to the government-wide financial statements
- In order for our firm to be able to perform these services and remain independent of the District, management is required to oversee these services by designating an individual with suitable skill, knowledge, or experience, to evaluate the adequacy and results of those services; and to accept responsibility for them. Theresa Lumas, Director of Finance and Administration, has accepted responsibility for these services

Auditor's Reports

Report on Financial Statements:

- Unmodified "clean" opinions on the following opinion units:
 - Governmental activities
 - Each Major Governmental Fund:
 - General Fund
 - Reserve Fund for Capital and Nonrecurring
 - Aggregate remaining fund information (Internal Service Fund, Special Revenue Funds, Pension, Sick & Severance and OPEB Trust Funds, Private-Purpose Trust Fund and Agency Funds)

Report on Compliance and on Internal Control over Financial Reporting

- We are not reporting any material noncompliance of laws and regulations
- We are not reporting any significant deficiencies or material weaknesses over financial reporting

Auditor's Reports *(Continued)*

Federal Single Audit:

- Report on Compliance and on Internal Control at the Federal Award Level
 - Fiscal Year 2020: \$899,357 expended
 - Major Programs:
 - Special Education Cluster - \$409,825
 - Unmodified “clean” opinion on compliance
 - We are not reporting any significant deficiencies or material weaknesses over grant compliance

State Single Audit:

- Report on Compliance and on Internal Control at the State Financial Assistance Level
 - Fiscal Year 2020: \$901,273 expended, \$142,606 nonexempt
 - Major Programs:
 - Open Choice - \$47,183
 - School Security Infrastructure Program - \$36,091
 - Unmodified “clean” opinion on compliance
 - We are not reporting any significant deficiencies or material weaknesses over grant compliance

Financial Highlights

General Fund – Budgetary Highlights:

- No additional appropriations were authorized by the District during the year
- There was no change in fund balance on a budgetary basis, as the year end surplus of \$1,986,236 has been reported as a liability due to Member Towns
- Revenues and other financing sources, excluding Member Town assessments, were \$206,344 more than budgeted, primarily due to a favorable variances on special education excess cost funds received.
- Expenditures were \$2,275,374 less than budgeted
 - Favorable budget variances across all objects
 - \$495,482 of the expenditure surplus transferred to Reserve for Capital and Nonrecurring
 - No instances of budgetary noncompliance were identified

Financial Highlights *(Continued)*

Funds - Highlights:

- Combined ending fund balances as of June 30, 2020 totaled \$1,926,306
- Fund balances of the District's other governmental funds consisted of the following:
 - Reserve Fund for Capital and Nonrecurring Fund: \$647,506, which is restricted or committed for capital purposes
 - Other Funds: \$307,299, which are committed for various educational purposes
 - No deficits in fund balances reported
- Ending net position in Internal Service Fund (self-insured health insurance fund) of \$1,108,191 as of June 30, 2020.
 - Represents approximately 3 months of current year operating costs of the fund
 - No significant change in the financial position of the fund

Financial Highlights *(Continued)*

Government-wide Financials - Highlights:

- Long-term bonded debt decreased by \$3.75 million due to scheduled principal repayments
 - Subsequent event disclosed relating to the issuance of \$6.57 million in bonds issued in July 2020

- Negative unrestricted net position of \$4,075,637
 - Contributing factors:
 - Net pension liability of \$4,002,716 (77.3% funded using a discount rate of 7.0%)
 - Net OPEB liability of \$2,161,067 (54.4% funded using a discount rate of 7.0%)
 - No significant changes in assumptions utilized or in the funded status of the plans

Required Communications

Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

Planned Scope and Timing of the Audit:

- No changes in the planned scope or timing of the audit that was originally agreed-upon

Significant Audit Findings:

- Qualitative Aspects of Accounting Practices
 - New accounting standards:
 - GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, resulted in the postponement of the effective date of most GASB standards by at least one year in response to the pandemic
 - Significant estimates and judgments:
 - Estimated useful lives assigned to capital assets
 - Discount rates utilized to determine net pension and OPEB liabilities

Required Communications (*Continued*)

Significant Audit Findings (*Continued*)

- There were no difficulties encountered in performing the audit
- Audit adjustments consisted of expected reclassifications made for financial statement purposes
- There were no uncorrected misstatements
- There were no disagreements with management
- We obtained a management representation letter and there were no unusual representations requested by us from management
- We are not aware of any consultations by management with other independent accountants

Questions?

Michael J. VanDeventer, CPA, Partner

860-781-7924

mvandeventer@mahoneysabol.com

Samantha A. Thomas, CPA, Senior Manager

860-781-7926

sthas@mahoneysabol.com