Onteora Central School District
Audit Committee--Minutes

September 12, 2022
9:30am

Committee Members: Cindy Bishop, Meghann Reimondo, Kristy Taylor, Drew Boggess, Wendy Wolfenson, Robert Curran

Invited Guests: Victoria McLaren, Superintendent
Monica LaClair, Assistant Superintendent for Business
Stephanie Laffin, Ass't Sup't Instruction & Curriculum
Debra D'Aprile, District Treasurer
Michael Rossi, External Auditor

1) Call to Order
    a. Meeting was called to order at 9:45am after some technical difficulties
2) Attendance
    a. Robert Curran was absent
    b. Stephanie Laffin was absent
    c. Kristy Taylor and Wendy Wolfenson attended virtually
    d. Mike Rossi attended via conference call

3) Review of Draft External Audit Report – Mike Rossi
4) Mike Rossi started by reviewing the audit with the committee and reminding the committee that the audit is required to be filed by 10/15/22. One new requirement, for leases to be included as part of GASB83, did not affect Onteora as the amount we had was considered immaterial for the 21-22 school year.

    On page 1-3 of the independent audit report, is the unqualified opinion of the auditor that the financial statement presents fairly, in all material respects, the respective financial position of the school district. It is the highest opinion that a school can receive.

    Pages 4-13 are management discussion and analysis. Pie charts are brought in to help the reader look at the information in a few different ways. It also allows the district to enter its own information on factors bearing on the district.

    Mr. Rossi also reviewed the budget to actual for 22-23 and commented that the District was able to add $3.3million to fund balance.

    Page 14 shows the full accrual basis of accounting. Mr. Rossi went on to discuss that the TRS and ERS funds are overfunded, mostly because of the rise in interest

rates. The financials show's it is over funded by $20,066,664. The district can't do anything with this money but then if it shows a liability the schools don't have to pay either. He cautioned though that these funds are heavily invested in the stock market and it may not last. He also went on to mention that the economy is causing the fluctuations in government accounting.

In addition, GASB 75, the District's portion of retiree health insurance is underfunded by $175 million dollars, yet schools are not allowed to fund it and must pay as they go each year. This number is required for every school but it does not have a negative affect on the bonding abilities of schools.

Page 16 shows all funds and is the basis whereby school district keeps their books and records. The General fund accounts for most of it. Schools are also allowed 5 categories of fund balance, the restricted fund balance are the reserves that NYS allows schools to have.

A question arose as to the timing of the audit. Wendy Wolfensen would appreciate 2-3 working days to review or would ask that the audit committee meeting be moved.

Mr. Rossi went on to tell the committee that the District has a healthy fund balance. He spoke of the TRS reserve, which allows a district to fund up to 10% of TRS salary over 5 years, with next year being the last year. The Capital Reserve helps offsets the local share of district capital projects and the Repair Reserve can be used only after a public hearing. The ERS does not have a cap like the TRS reserve and the EBLAR (Accrued Employee Benefits) reserve is tied to sick and vacation leave that is promised by the contracts.

The Assigned fund balance of $3.122 million is the amount that the district is giving back to taxpayers to balance the budget and the unassigned fund balance of $2.399 is the 4% of the 22-23 budget that the school district can hold for no recognized purpose.

Moving onto the Federal Fund, Mr. Rossi explained that the federal fund can have no fund balance. The Misc Special Revenue Fund holds the scholarship money that the District holds for graduating students and at the year ended June 2022, the Capital Reserve has $1.99million in fund balance.

With respect to the School Lunch program, revenue was much higher in 22-23 due to all the COVID relief money. It is not expected to continue and if the school plans to continue to support the program they spent $385,000 in the 21-22 school year.

Going through the notes section of the financials, Mr. Rossi explained there were no large changes. Page 52 starts the required supplemental information that GASB requires. Page 58 shows all the Capital Projects that the school currently

has, some of which are finished. Page 61 discusses the internal controls of the district and shows there are no issues.

Pages 63-64, is the opinion on the grants which also has no issues. Page 69 are the district's Extraclassroom (ECA) funds. The opinion for this is modified because it is cash basis and the auditors are not here to view all the transactions. This is found at every school.

In conclusion, Mike said there was noting of concern from an auditing perspective.

Recommended Motion: The OCSD Audit Committee reviewed the draft Audited Financial Statements and Supplemental Schedules for the year ended June 30, 2022 for the Onteora Central School District and recommends that the Board of Education accept them.

Drew Boggess – first
Cindy Bishop – second
All in favor

5) Meeting Schedule Review

Schedule of Audit Committee Meeting Dates for 2022/2023:
Monday September 12, 2022
Monday, December 12, 2022
Monday, March 13, 2023
Monday, May 22, 2023

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

6) Old Business
It was mentioned that the audit committee was interested in getting an update on the ARP/ESSER grant.

7) New Business
The audit committee was asked to think of possible internal Audit topics

8) Approval of Minutes – May 23, 2022
Drew Boggess – first
Cindy Bishop – second
All in favor

9) Adjournment
   a. Next meeting, Monday, December 12, 2022