



**RYE NECK UNION FREE SCHOOL DISTRICT
300 HORNIDGE ROAD
MAMARONECK, NEW YORK 10543
AUDIT COMMITTEE OF THE BOARD OF EDUCATION
OCTOBER 4, 2022**

Present: Trustee Patty Nashelsky
Trustee Elizabeth Yong
Dr. Eric Lutinski, Superintendent of Schools
Carolyn Mahar, CPA, Assistant Superintendent for Business
Maria Gigi, District Treasurer
Al Hodys, Community Representative
David Tellier, Partner, Nawrocki Smith (Via Google Meet)
John Castles, Senior Manager, Nawrocki Smith (Via Google Meet)
Mary Ellen Chiera, District Clerk

I. Opening of Meeting

Trustee Nashelsky called the meeting to order at 9:00 a.m.

II. Selection of Audit Committee Chairperson

Trustee Nashelsky was selected to be the Audit Committee Chairperson.

III. Approval of Minutes

Upon motion duly made by Trustee Nashelsky and seconded by Mr. Hodys, it was

RESOLVED, that the Board of Education of the Rye Neck Union Free School District hereby approves the Minutes of the Audit Committee Meeting of May 10, 2022, as submitted.

AYES: Trustee Nashelsky, Mr. Hodys

NAYES: None

ABSTAIN: Trustee Yong

IV. Discussion

External Audit 2022 Year-End Review

Mr. Tellier and Mr. Castles reviewed with the Committee the scope of services rendered with regard to the audit of the financial statements for the year ended June 30, 2022, which include an audit of the district’s financials, major federal award programs and Extraclassroom Activity Funds; the issuance of a management letter presenting their findings and recommendations; and a presentation of the results of their audit to the Audit Committee. They advised that fieldwork commenced on July 12th, and they received

excellent cooperation from the business office. All planned audit procedures were successfully implemented, and there were no material weaknesses or significant deficiencies in internal control. In addition, all risk areas identified in the preliminary Audit Committee meeting were fully addressed, resulting in no matters requiring additional procedures or further investigation.

With regard to the implementation of GASB 87 which was put in place to improve the relevance and consistency of financial reporting for government leasing activities, Mr. Tellier stated that they analyzed all leases to determine applicability. However, this accounting guidance only applies to the district's copy machines and postage meters.

Next, they summarized the information in the district-wide financial statements, including capital assets, right-to-use assets, bonds payable, capital notes payable, lease liabilities, OPEB liability, and the total proportionate share of the net pension systems. They reviewed the governmental fund financial statements, including the General Fund, Capital Project Fund, Special Aid Fund, School Lunch Fund and the Miscellaneous Special Revenue Fund.

Additionally, they conducted a federal single audit where they examined all federal grants received and administered by the district, as well as an audit of the Extraclassroom Activity Funds. These were clean audits, and everything was in order.

In summary, Mr. Tellier stated that there were no material weaknesses or significant deficiencies in internal controls, and there were no current year or prior year recommendations.

Following NawrockiSmith's report, discussion was had regarding the pension plan contribution rate, changes in net position from operating results, and how to invest the money in the reserve funds.

Lastly, the Audit Committee will recommend to the Board that it accept the financials as presented at its October 19th Regular Board Meeting.

Special Review Project for 2022-2023

The Committee will have Sanossian, Sardis & Co., LLP finish its review of the capital project expense.

NYS OSC Health Insurance Buyout Audit

Mrs. Mahar advised the Committee that the New York State Office of State Comptroller commenced its audit in May, 2022. Since they found no issues, they decided to conduct a cost analysis on how much money the district could save if it offered a health insurance buyout. The auditors came up with a range for potential savings to the district, and they sent out an interest survey to all district employees in this regard. Mrs. Mahar is awaiting their report.

NYSED Desk Review

Mrs. Mahar advised the Committee that the district was selected for a desk audit by the New York State Education Department. The topic of the audit is how the district spent its

COVID relief money and to make sure it followed the appropriate procedures.

V. Setting of Date for Next Meeting

The next Audit Committee Meeting was scheduled for Thursday, February 9, 2023, at 9 a.m.

VI. Adjournment of Meeting

Upon motion duly made by Trustee Yong and seconded by Mr. Hodys, it was

RESOLVED, that the Audit Committee Meeting of October 4, 2022 be adjourned.

AYES: All Present

NAYES: None

Chairman Nashelsky adjourned the meeting at 10:12 a.m.

Respectfully submitted,

Mary Ellen Chiera
District Clerk