RyeNeckSchools

RYE NECK UNION FREE SCHOOL DISTRICT
300 HORNIDGE ROAD
MAMARONECK, NEW YORK 10543
AUDIT COMMITTEE OF THE BOARD OF EDUCATION
OCTOBER 9, 2024

Present: Trustee Gloria Golle
Trustee Erica Wagner
Dr. Eric Lutinski, Superintendent of Schools
Carolyn Mahar, CPA, Assistant Superintendent for Business
Maria Gigi, Business Manager
Jocelyn Donat, Community Representative
David Tellier, CPA/CFF, CITP, CGFM, Nawrocki Smith LLP (Via Google Meet)
John Castles, CPA/CITP, CFE, Nawrocki Smith LLP (Via Google Meet)
Mary Ellen Chiera, District Clerk

I. Opening of Meeting

The meeting was called to order at 8:00 a.m.

II. Selection of Audit Committee Chairperson

Trustee Wagner was nominated and accepted the role of the Audit Committee Chair. Trustee Golle and Mrs. Donat agreed with the selection.

III. Approval of Minutes

Upon motion duly made by Truste Golle, it was

RESOLVED, that the minutes of the Audit Committee Meeting of May 14, 2024 be approved.

AYES: **Trustee Golle (no other trustees from the May 14th meeting were present)**
NAYES: **None**

IV. Discussion

External Audit - 2024 Year End Review and Presentation of Financial Statements

David Tellier reviewed with the Committee the scope of services rendered by NawrockiSmith in connection with the year-end external audit for the year ended June 30, 2024. He stated that the firm performs an audit of the financial statements in accordance with U.S. generally accepted auditing standards and government auditing standards; a single audit of the district's major federal award programs; and an audit of the district's Extraclassroom Activity Funds. They issue a management letter presenting their findings and recommendations, and present the results of the audit to the Audit Committee.

Next, Mr. Tellier informed the committee that the fieldwork commenced on July 15th after a satisfactory closing of the books and records. They received excellent audit cooperation throughout the fieldwork, and all planned audit procedures were successfully implemented. All risk areas were identified in the preliminary Audit Committee meeting and were fully addressed. There were no matters requiring additional procedures or further investigation. There were no adjustments as a result of the audit.

Mr. Tellier then reviewed information from the financial statements. He stated that there were no material weaknesses or significant deficiencies in internal control. With regard to the district-wide financial statements, he stated that capital assets, net of depreciation total $43 million with a net decrease of $1.5 million in the current year. Bonds payable total $29.6 million with a current year reduction of $2.1 million. A capital note payable totals $870,000 with a current year reduction of $122,000. Lease liabilities (copiers and postage meters) total $179,000 relating to right-to-use assets of $168,000. There is a OPEB liability of $80.7 million with an increase of $662,000 in the current year. The increase was partially related to a change in the discount rate from 3.65% to 3.93%. The total proportionate share of the net pension systems of $2.5 million with a decrease of $1.6 million in the current year.

With regard to the governmental fund financial statements, the General Fund has total assets of $21.7 million and total liabilities of $3.7 million with a fund balance of $18.0 million. The General Fund restricted fund balance totals $13,658,752. Revenues were over budget by $1.6 million due to better interest rates and high levels of funds being held in interest bearing accounts, and expenditures were under budget by $1.8 million. The Capital Projects Fund balance is $1,483,520, the School Lunch Fund balance is $211,622, and the miscellaneous Special Revenue Fund has a balance of $259,288.

With regard to the Federal Single Audit, there were two programs tested, and there were no instances of noncompliance or questioned costs.

Finally, Mr. Tellier reported that there were no material weaknesses or significant deficiencies in internal control were identified. The prior year recommendation of the creation of a formal capitalization policy for right-to-use lease assets and subscription-based information technology arrangements was implemented.

Discussion followed regarding OPEB and unemployment reserve money.

Following discussion, the Committee unanimously recommended that the District accepts the financial reports and action plan as presented.

Internal Audit Functions

Mrs. Mahar advised the Committee that the District ended its contract with the internal auditing firm used in past years in light of their recent legal issues. Concurrently, it was determined that the District is not legally required to have internal audit services in the 2024-25 school year due to enrollment in 2023-24 being below 1,500 students. She explained the primary responsibility of an internal auditor, which includes risk assessment and periodic special intensive reviews of one or more areas of the District's operations.

Mrs. Mahar advised the Committee that she would like to go forward with an RFP for a new auditor, not to perform a risk assessment but for the sole purpose of performing special reviews. Following discussion of costs of both a risk assessment and a special intensive review and the frequency of special reviews, the Committee unanimously agreed that Mrs. Mahar should go forward with the RFP to obtain a new internal auditor for the purpose of performing special intensive reviews.

V. Setting of Date for Next Meeting

The next Audit Committee Meeting was scheduled for Tuesday, January 28, 2025 at 8:00 a.m.

VI. Adjournment of Meeting

Upon motion duly made by Trustee Golle, and seconded by Mrs. Donat, it was

RESOLVED, that the Audit Committee Meeting of October 9, 2024 be adjourned.

AYES: All Present
NAYES: None

Chairman Wagner adjourned the meeting at 8:51 a.m.

Respectfully submitted,

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Mary Ellen Chiera
District Clerk