

RyeNeck Schools

**RYE NECK UNION FREE SCHOOL DISTRICT
300 HORNIDGE ROAD
MAMARONECK, NEW YORK 10543
AUDIT COMMITTEE OF THE BOARD OF EDUCATION
OCTOBER 7, 2025**

Present: Trustee Jason Carmel

Trustee Alex Rainert

Mr. Michael Burke, Superintendent of Schools

Carolyn Mahar, CPA, Assistant Superintendent for Business and Finance

Maria Gigi, Business Manager

Mary Lanza, Director of Technology & Communications (Joined at 9:20 AM)

Jocelyn Donat, Community Representative

John Castles, Director, NawrockiSmith (Via Google Meet)

Dimitris Bantilekas, Partner, NawrockiSmith (Via Google Meet)

Mary Ellen Chiera, District Clerk

I. Opening of Meeting

The meeting was called to order at 8:45 a.m.

II. Selection of Audit Committee Chairperson

Trustee Carmel was nominated and accepted the role of the Audit Committee Chair.

Trustee Rainert and Mrs. Donat agreed with the selection.

III. Approval of Minutes

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

RESOLVED, that the minutes of the Audit Committee Meeting of May 22, 2025 be approved.

AYES: All Present

NAYES: None

IV. External Audit 2025 Year-End Review

John Castles 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, 2025. 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 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. Castles informed the committee that the fieldwork commenced on July 21st 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.

He reported that GASB 101 (Compensated Absences) was implemented this year. The District analyzed all collective bargaining units, calculated historical averages of use of leave for all units, and prepared schedules by unit. GASB 101 was applied retrospectively and resulted in a prior period adjustment of \$6,395,743.

Mr. Castles 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 \$42.9 million with a net decrease of \$184,000 in the current year. Bonds payable total \$27.4 million with a current year reduction of \$2.1 million. The capital note payable totals \$745,000 with a current year reduction of \$125,000. Lease liabilities total \$123,000 relating to right-to-use assets of \$119,000. There were compensated absences of \$6 million. There is a OPEB liability of \$71 million with a decrease of \$9.7 million in the current year primarily due to changes in actuarial assumptions. The total proportionate share of the net pension liability (ERS) is \$1.6 million and the net pension asset (TRS) is \$3.2 million.

With regard to the governmental fund financial statements, the General Fund has total assets of \$22.8 million and total liabilities of \$5 million with a fund balance of \$17.7 million. The General Fund restricted fund balance totals \$13,064,837. Revenues exceeded budget by \$1.4 million due to use of money and property which was driven by stable interest rates and higher levels of funds being invested. Expenditures were under budget by \$1.1 million. The Capital Projects Fund balance is \$1,704,825, the School Lunch Fund balance is \$173,402 and the miscellaneous Special Revenue Fund has a balance of \$321,497.

Finally, Mr. Castles reported that no material weaknesses or significant deficiencies in internal control were identified, and there were no current year or prior year recommendations.

Following discussion regarding financial pressures in other districts that NawrockiSmith represent, the Committee unanimously recommended that the Board accept the financial reports as presented.

V. NIST Review Presentation

Dimitris Bantileskas presented the results of NawrockiSmith's cybersecurity NIST gap analysis. He reviewed the scope of engagement, the NIST gap analysis objectives, and the work performed. The results of the analysis were a positive risk rating. Mr. Bantileskas then reviewed their recommendations and the costs associated therewith. Mrs. Lanza stated that the recommendations are minimal and easy to address.

VI. 2025-26 Audit Committee Goals

Mrs. Mahar advised the Committee that she would like to include the Long Range Financial Planning presentation in the first budget presentation in February rather than presenting it in September. She will give the Audit Committee a preview of the presentation at the January Audit Committee meeting. Discussion followed with regard to why the District has declining enrollment and how it relates to budgeting.

VII. Date for Next Meeting

The next meeting was scheduled for Thursday, January 29, 2026 at 9:00 a.m..

VIII. Adjournment

Upon motion duly made by Trustee Carmel and seconded by Trustee Rainert, it was

RESOLVED, that there being no further business before the Committee, that the Audit Committee Meeting of October 7, 2025 be adjourned.

AYES: All Present

NAYES: None

Chairman Carmel adjourned the meeting at 10:03 a.m.

Respectfully submitted,

Mary Ellen Chiera
District Clerk