

PITTSFORD CENTRAL SCHOOL DISTRICT

Audit Oversight Committee (AOC)

Wednesday, October 1, 2025

Barker Rd. Middle School – Mtg. Room #2

3:30 pm

PRESENT: M. Pero, S. Cutaia, J. Casey (3:41), S. Pelusio, R. Sanchez-Kazacos, R. Scott, S. Covell, T. Hasseler, R. Smith, V. Winter, T. Zuber (MMB+Co), C. Tompkins (FreedMaxick)

1. AOC Charter Review & Selection of the 2025-2026 Chairperson.
 - No concerns or suggested changes for the charter.
 - Mr. Casey was selected as the Chairperson.
2. The minutes from the May 28, 2025 AOC meeting were approved.
3. Claims Auditor Report
 - Activities reviewed. No areas of significant concern or fraud were identified. A few minor findings were noted. Findings that were found have been corrected. Improvements will continue. V. Winter left the mtg. @ 3:41 pm.
4. Internal Audit 2024-2025
 - Mr. Tompkins noted that the area of focus was Payroll.
 - Minor findings were noted. Automation of payroll should help address some of the items noted.
 - The next area of focus will be in Accounts Payable area in the fall

Mr. Tompkins left the meeting @ 3:57 pm

5. External Audit Overview
 - An annual audit was conducted to assess the district's financial position, internal controls, & compliance.
 - Mr. Zuber summarized key highlights from the financial statement for the year ending June 30, 2025.
 - Audit opinion is clean, unqualified, no material weaknesses, no significant deficiencies.
 - Investments:
 - District is doing a good job managing & investing funds
 - No unusual investment activity observed
 - Receivables:
 - Standard items including state aid, BOCES, & sales tax
 - Nothing unusual noted
 - Liabilities:
 - Pensions/Retirement Systems
 - Primarily Teachers' Retirement System (TRS) – overfunded
 - Employees' Retirement System (ERS) – underfunded (about 90%) but going strong
 - Expense each payroll & remits payment in the fall
 - Liability up from prior year due to higher rates
 - Rates decreased for the current year (expected reduction for next year)
 - Liability fluctuates with interest rates & healthcare trends.
 - NYS law prohibits pre-funding this liability.
 - NYS pension system is well funded compared to other states; it remains healthy & is well regulated
 - General Fund:
 - Primary operating fund & main focus of the audit
 - Fund Balance:
 - Non-spendable: Prepaid items (already paid, cannot be re-spent)
 - Restricted: Reserve accounts

- Several established reserves; district has managed them well over the years
 - Assigned: Funds set aside for specific purposes (e.g., tax certiorari, planned costs)
 - Unassigned: =4% of total fund balance
 - Used for emergencies & summer cash flow needs
- Change in Fund Balance/Reserves:
 - Total equity & reserves rose from prior year due to additional allocations to reserve accounts
 - Current fund balance levels not expected to continue at the same rate going forward
 - The variances between budgeted revenues & expenditures compared to actual were tightened in 2025.
 - Future years will show smaller year end balances due to tighter budgets.
- Internal Control Communication: (Management Letter)
 - Minor procedural recommendations; no significant issues.
 - Focus areas:
 - Payroll rate analysis
 - Electronic software implementation for financial processes
 - Security & personnel reconciliations
 - Review of Driver's Ed program & contract
- Overall Conclusions of Audit:
 - Audit opinion is clean (unqualified), no major control issues found
 - Financial Position: Strong & well-managed
 - Reserves: Healthy & strategically utilized
 - Budget: Realistic & responsive to changing conditions
 - Minor Recommendations to Continue Monitoring:
 - Future interest earnings
 - Healthcare cost trends
 - Future budget pressures - tightening of revenue & expense margins

Mr. Covell noted that both the Internal & External reports would go before the Board of Education for approval.

Mr. Zuber left the meeting @ 3:41 pm

The following informational items were reviewed:

- Extraclassroom & Single Audit Dates (Oct.)
- Internal Audit Dates – Accounts Payable (Fall)
- Extraclassroom Training (Late Oct./Early Nov.)
- Corrective Action Plan – hourly rates & contracted security (will go before the BOE)
- Review of the Reserve Funds
- Proposed mtg. dates

Adjournment: 4:34 pm

Respectfully submitted,



Deborah L. Carpenter
School District Clerk