# Rye Neck Schools

**RYE NECK UNION FREE SCHOOL DISTRICT**
**300 HORNIDGE ROAD**
**MAMARONECK, NEW YORK 10543**
**AUDIT COMMITTEE OF THE BOARD OF EDUCATION**
**OCTOBER 6, 2026**

**DRAFT**

Present: Trustee Alex Rainert (Via Google Meet)
Trustee Gabriella Danza (Via Google Meet)
Mr. Michael Burke, Superintendent of Schools
Carolyn Mahar, CPA, Assistant Superintendent for Business and Finance
Maria Gigi, Business Manager
Jocelyn Donat, Community Representative (Via Google Meet)
David Tellier, Partner, Nawrocki Smith LLP (Via Google Meet) (Joined @ 9:15 AM)
John Castles, Director, Nawrocki Smith LLP (Via Google Meet)
Mary Ellen Chiera, District Clerk

**I. Opening of Meeting**

The meeting was called to order at 9:05 a.m.

**II. Selection of Audit Committee Chairperson**

Trustee Rainert was nominated and accepted the role of Audit Committee Chair and Trustee Danza agreed.

**III. Approval of Minutes**

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

**RESOLVED,** that the minutes of the Audit Committee Meeting of May 14, 2026 be approved.

**AYES:** **All Present**
**NAYES:** **None**

**IV. External Audit 2026 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, 2026. 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 on improving accounting procedures and internal controls, and present the results of the audit to the Audit Committee.

He informed the committee that the fieldwork commenced on July 20th 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 proposed as a result of the audit.

Mr. Castles reported that GASB Statement No. 103 (Financial Reporting Model Improvements) was implemented this year. The implementation of this Statement did not have an effect on the District's financial position or results of operations.

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 $42.7 million with a net decrease of $146,000 in the current year. Bonds payable total $25.2 million with a current year reduction of $2.2 million. The capital note payable totals $617,000 with a current year reduction of $128,000. Lease liabilities total $42,000 relating to right-to-use assets of $40,000. There were compensated absences of $6.7 million. There is a OPEB liability of $80.7 million with an increase of $9.7 million in the current year primarily due to changes in the actuarial discount rate from 5.20% to 4.67%. The proportionate share of the net pension liability (ERS) is $500,000 and the net pension asset (TRS) is $6.3 million.

With regard to the governmental fund financial statements, the General Fund has total assets of $21.7 million and total liabilities of $3.3 million with a fund balance of $18.4 million. The General Fund restricted fund balance totals $14,950,182. Revenues exceeded budget by $980,000 due to use of money and property related to better interest rates. Expenditures were under budget by $1.5 million. The Capital Projects Fund balance is $451,736, the School Lunch Fund balance is $239,289 and the miscellaneous Special Revenue Fund has a balance of $337,704.

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, the Committee unanimously recommended that the Board accept the financial reports as presented.

**V.** **<u>External Audit RFP Timing</u>**

Mrs. Mahar explained to the Committee that the District's contract with NawrockiSmith is ending this year so we will need to go out for an RFP before the next audit. She reviewed the timeline for the RFP and advised that she would present the information to the Committee for discussion at its January meeting so that the Board can approve a firm in February. Discussion was had regarding the process.

**VI. Date for Next Meeting**

The next meeting was scheduled for Thursday, January 28, 2027 at 9:00 a.m.

**VII. Adjournment**

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

**RESOLVED,** that there being no further business before the Committee, that the Audit Committee Meeting of October 6, 2026 be adjourned.

**AYES: All Present**
**NAYES: None**

Trustee Rainert adjourned the meeting at 9:39 a.m.

Respectfully submitted,

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Mary Ellen Chiera
District Clerk