October 6, 2026 Audit Committee Meeting Minutes

Attendees: Kerry Cunningham, Melissa Finateri, Joke Alade, Ruchi Gupta, Michelle Gosh, Victor Karlsson, Matt Wenz, Ann Marie Kovaleski
Presenters: Rob Daniele, Partner & Claudia Legall, Manager - PKF O'Connor, Davies, LLP
Eric Schmid & Marco DiRusso - Tobin & Company, LLP

Meeting began at 8:01am.

Victor Karlsson began the meeting by quickly providing an overview of the Audit Committee's function in relation to the Board of Education. The Audit Committee is advisory in-nature and all decision-making authority resides with the Board. He added that the roles and responsibilities are outlined in the Audit Committee Charter, which is reviewed by the Committee and recommended to the Board for re-adoption each year. Prior meeting minutes were referenced and are available on the District's website for further review.

Marco DiRusso reviewed the Risk Assessment Internal Audit process, highlighting newly implemented controls, as well as, recommended areas for improvement. The District's Corrective Action Plan response was provided for each recommendation.

Marco shared that the District's risk scores in most operational categories either remained the same or improved from the prior year due to the implementation of recommended procedures. Marco recommended that the spring's Focus Area Internal Audit examine Food Service Operations, due to the impact Universal Free School meals has had on creating operating surpluses. The Committee generally agreed with the Internal Auditors' recommendation and further recommended to the Board of Education that Food Service Operations be the focus area audit this spring.

Rob Daniele then reviewed the Schedule of Revenues, Expenditures and Changes in Fund Balance, noting several positive expenditure variances. The most notable positive expenditure variances were in the areas of special education, transportation, and employee benefits. The District spent 96.6% of the budget, which created a surplus for the year. Victor noted that the entirety of the surplus was placed in the Capital Reserve, upon the recommendation of the Finance Committee, which is prudent in reducing borrowing costs associated with future capital projects. Rob noted that the District has 4% of unassigned fund balance available to protect the District from unanticipated expenditures and/or revenue shortfalls. Victor reminded the Committee that 4% is the maximum amount allowed by law, and is also recommended in Board of Education Policy.

The External Audit Management Letter was reviewed next and Victor provided the District's Corrective Action Plan response to each recommendation. Rob went on to explain that the District received an "unmodified opinion" in its financial statement audit, which is the highest level of assurance that a District can receive.

Next, Victor requested the Audit Committee's guidance in approaching the Request for Proposal (RFP) process for internal audit services for 2027-28 and beyond. After discussion, the Committee decided to request proposals from three firms, including the incumbent internal auditors. Interviews will be scheduled for a separate Audit Committee meeting in late May/early June, with recommendation to the Board of Education prior to the July Re-Organizational meeting.

Victor noted that the next regularly scheduled Audit Committee meeting is on Tuesday, May 18, 2027 at 8am to review the Focus Area Internal Audit report and perform the planning meeting leading up to the external audit.

Meeting ended at 9:17am.

Respectfully submitted,

Victor Karlsson