Barker Central School District
Board of Education
Audit Committee Meeting
Monday, October 5, 2026, 6:30 p.m.

PRESENT R. Atwater, R. B. Atwater, C. Gancasz, S. Mason, J. Sweeney, Jr., V. Voss

EXCUSED None

ALSO PRESENT M. Cornwell, M. Eadie, C. Miner, S. Hennard of Lumsden McCormick, LLP
Public: 2

CALL TO ORDER President Atwater called the meeting to order at 6:30 p.m.

AGENDA APPROVAL Motion by Mr. Sweeney, Jr., seconded by Mrs. Gancasz to approved the October 8, 2026 agenda as presented.

PRESENTATION

Lumsden & McCormick, LLP June 30, 2026 Year-end Audit – Seth D. Hennard

Mr. Hennard of Lumsden and McCormick presented an overview of the financial audit for year-ending June 30, 2026. He thanked Ms. Miner, who worked closely with the firm, on the audit as he recognized she wears a lot of hats and receives numerous requests throughout the day and appreciated her efforts with all the email, phone, onsite requests they had of her. He continued his presentation with a review of the Scope of the Audit and the Deliverables. He noted that the Auditor's Report of Financial Statements with an unmodified opinion and Auditors' Report required by GAS had not matters, which he commented are the two highest levels or reports the District can get. He commented that there were no material weaknesses noted, nor significant matters, no interior control deficiencies, nor findings or issues to note. Overall, he commented that it was a good clean audit. There were no issues or concerns to report. Extraclassroom Activity schedule of additions and deductions was reviewed. Its beginning net position totaled $98,400, there were additions of $175,100, deductions of $176,900, resulting in an ending net position of $96,600.

He continued with Required Communications and the Management Letter. He commented that there were no difficulties encountered during the audit, nor any disagreements with management. He noted GASB 103 – Financial Reporting Model Improvements, which was the main policy incorporated this year. He then addressed GASB 104 – Disclosures of Certain Capital Assets, and GASB 105 – Subsequent Events. There were no circumstances affecting the form and content of the auditors' report. There was no management consultation with other accountants. He commented that all identified misstatements were corrected by

management. He stated that there were no other significant matters, findings, or issues.

With regard to the Management Letter, he said there were no material weaknesses and one comment pertained to the food service fund balance which is new this year as NYS changed the regulations and reporting 3-6 month threshold to adjust the level that is currently high. Ms. Miner noted that this is being addressed as the Cafeteria has a number of equipment needs and the funds will be utilized to replace aging equipment items, with the goal to do prior to year-end. He also noted that the Extraclassroom activity fund needed a couple student signatures which is very common among 99% of school. Ms. Miner stated that all but one was prior to joining the District in January 2026. She commented that as of October 15, 2026, the Central Treasurer will reconcile the beginning and ending ledger balances on a monthly basis to ensure that records are matching and signatures are on all required receipts and forms. A meeting will be scheduled with all advisors and student officers to review procedures related to extraclassroom accounts and activity documentation. She noted that it is a lot of work for the advisors but is hoping to have the meeting this month.

He reviewed the summary of funds and changes from the prior year. He highlighted the changes in the General Fund Revenue, which increased from $20,352,000 to $21,652,000, partially due to the solar project. Based on a question from Mr. Atwater, he noted that the decrease in property taxes was due in part to the tax levy and impact on property re-evaluations.

With regard to the General Fund Expenditure, Mr. Hennard broke out the components and changes with salaries and employee benefits which decreased somewhat due to retirements and lower Step replacements. Debt Service increased from $206,000 to $2,427,000 due to the BAN and principal and interest payments, and BOCES Services increased due to Special Education needs from $3,967,000 to $4,376,000 due to the higher cost of student enrollment. He also reviewed the change in Transportation and Other which increased from $3,247,000 to $3,520,000. He commented it was a good year overall for expenditures

He highlighted the government-wide summary and reconciliation from 2025 to 2026 changes. He stated that current and other assets decreased $2,813,000 due to changes in TRS spending and the capital project. He noted that capital assets increased $5,920,000. He noted changes in long-term liabilities, and Other liabilities were a function of the bond BAN.

He reviewed the information pertaining to the government-wide summary. Current and other assets decreased $2,813,000 due to increased capital project spending offset by the increase of the net pension asset for TRS of $1,066,000. Capital assets increased $5,920,000 as additions of $7,224,000 exceeded depreciation expense, amortization expense, and disposals of $1,304,000. Deferred outflows and deferred inflows of resources, which relate primarily to the District's pension and OPEB liabilities, will be recognized to pension and OPEB expense over five years. The District's share of net pension position is 0.036% for TRS and 0.0037% for ERS;

TRS is funded at 103.99%, resulting in a net pension asset of $2,143,000, while ERS is funded at 97.78%, resulting in a net pension liability of $208,000.
The District's OPEB liability is an actuarial calculation of the cost of the District's portion of retiree health insurance and a subsidy for allowing retirees to remain in the District's health insurance plans. Long-term liabilities increased $18,462,000 due new bond issuance of $18,665,000. Other liabilities decreased $16,763,000 due to the repayment of BANs totaling $15,800,000.

He reiterated that overall, it was a good year, no findings to report, he was very pleased with the audit.

In addition to the information provided about the extraclassroom report, Ms. Miner also noted that her response to the audit is provided to the Board with in the Board Meeting package. She also thanked Lumsden McCormick's team and for understanding some responses took a bit longer due to being short-staffed. Mr. Atwater commented the Business Department on a clean audit. Ms. Miner then commented on the General Fund as it was thought the District would need to utilize more, but used $150,000, so budgeting was very on track but this does not leave a lot of flexibility and there is still the need to limit spending on non-essential items.

Mr. Atwater thanked Mr. Hennard, his team, Ms. Miner, and Administration for their work.

ADJOURNMENT

Motion by Mrs. Gancasz, seconded by Mrs. Atwater, to adjourn the meeting at 6:47 p.m.
Yes 6, No 0
Motion carried.

Respectfully Submitted,

Mary H. Eadie
District Clerk