

*Oneonta City School District
Finance/Audit Committee Meeting Minutes
October 19, 2021*

The meeting began at 3:36pm.

Members Present: Lisa Weeks, Business Manager; Joe Temming, Board of Education; Amy Burnsworth, Board of Education; Mike Iannelli, Board of Education

Members Absent: Tom Brindley, Superintendent

Others Present: Scott Preusser from Raymond G. Preusser, CPA, P.C. joined us to review the audited Financial Statements and Extraclassroom Activity Fund for the fiscal year ended June 30, 2021. He also provided information on reserve funds used by school districts.

2020-2021 Independent Financial Audit-(handouts) Scott Preusser reviewed the audited financial statements with the committee. He provided a summary to be reviewed by the Board. The audit report was unmodified (this is good). There were no material weaknesses, significant deficiencies or noncompliance issues noted. Although the unassigned fund balance is in excess of 4%, no management letter was issued.

A discussion took place related to the asset to liability ratio. Oneonta's is 2:58 of 1, which is in line with what it should be.

The ExtraClassroom Activity Audit was reviewed. Note that this fund is accounted for on a cash basis. Several findings were noted with auditor recommendations relative to cash receipts, inactive clubs and fundraising activities. Our auditor noted that these findings were issued to all schools this year.

There was a question whether the district had a policy or procedure providing guidance for student activity clubs. The district does have a procedure. We're not sure about a policy. However, there may be a policy included in the Erie I policy review. Lisa will forward to the committee, what was sent to the student activity advisors requesting information on each club.

The Single Audit, which is an audit of the Federal Funds (including grant and student meal reimbursements) will be performed at a later time as guidance was not provided to auditors until late September outlining audit requirements for the stimulus funds.

Reserve Fund Discussion-Our auditor provided a listing of reserve funds that may be used by school districts. We followed that with a discussion of the Reserve Funds that the district currently has and our reserve fund plan, based on the April update (the Reserve Fund Plan is on our website). We discussed others that may make sense for us to set up, including a Retirement Contribution Reserve and Capital Reserve, and potential uses of those funds. At this point, it may also make sense to increase our Employee Accrued Liability Reserve based on historical retirement payouts. Capital Reserve can include equipment as well as Capital Projects.

We briefly discussed the Repair Reserve. We will research whether the Grey Barn could qualify for building aid/instructional space.

This committee will review the Reserves at the next meeting and come up with some recommendations for the Board.

Minimum Wage Increase/Hourly Rate Increases-We were notified in September that minimum wage will increase from \$12.50 to \$13.20, effective January 1, 2022. This will affect some of our per diem as well as our hourly rates of pay. Rates will need to be reviewed for teacher and LTA substitutes, game staff, door monitors, extended day staff, custodial subs and quarantine room aides.

Review of Financial Memorandum- We briefly discussed each of the four items on the agenda for board approval. The consultant service contract is for tutoring of private school students and is funded by Title I.

Tax/PILOT Update-The district recently received paperwork from the Industrial Development Agency (IDA) regarding a PILOT in place (September 1, 2021) for Centrome (previously Medical Coaches). Due to the timing of this PILOT agreement, this property was included in the tax rolls and a tax bill had already been generated. The IDA has confirmed that the tax bill will be paid and that the PILOT will start on next year's schedule as a result of the timing of the agreement.

2020-2021 Risk Assessment Audit Report Update-An update was provided to the Committee regarding recommendations from the report from Cwynar, Farrow & Locke. As a standing item on our Finance Committee agenda, updates will be provided each month. The Business Office team has met and will continue to meet once per month to focus on cross training and written procedures. At least one procedure per Business Office Staff will be documented and put in a binder. This process has begun. The Business Manager will generate a payroll using the payroll procedure document, without the assistance of the payroll clerk, in November or December.

Other Discussion-We discussed the districts need for a long range financial plan update and sustainability of created positions when stimulus funds drop off. We briefly discussed how some of these positions would be absorbed and some programs that will be discontinued. This will be a regular item of discussion and development in this committee.

Our meeting ended at 4:44pm.

Next meeting: November 16, 2021, 3:30pm

Location: DL Room, Center Street

Respectfully submitted,

Lisa J. Weeks, Business Manager