



## Audit Committee

Chair: Jennifer Morgan

9.21.2020

Start 5:00 PM

End 6:06 PM

Motion Scott 2<sup>nd</sup> Shaun

Motion Scott 2<sup>nd</sup> Shaun

### In Attendance

Jennifer Morgan - Chairperson  
 Scott Wilson - Board member  
 Shaun Boorum - Board member  
 Jim Lewis, community member  
 Jim Penwell, community member  
 Beth Donahue - Administrator  
 David Gill - Administrator  
 Duane Shoen, CPA Insero partner

### Review draft financial audit with Insero

Executive Session: 5:00 PM Motion Scott 2<sup>nd</sup> Shaun

Duane Shoen reviewed the draft annual financial audit documents with the Audit Committee.

#### Communication Letter:

- Communication about certain aspects of the audit with the board
- Mostly boiler plate information – designed to discuss any changes to accounting standards – there were no changes at this time
- There were no concerns about the estimates and the underlying assumptions
- There were no concerns regarding the financial statement disclosures
- There were no difficulties or disagreements or misstatements or any other issues

#### Management Comment Letter:

- There were no findings or issues in the financial audit
- Duane reviewed a number of GASB standards that may impact future budgets. The one that may have the most significant impact is GASB Statement No. 84 which may impact Extraclassroom Activity policy and/or where and how EC activity is reported going forward.

#### Extraclassroom Management Comment Letter and financial report:

- CV is at the top regarding consistent good audit reports
- Excellent job of making sure everything is run well
- Global discussion item (on all school audits) regarding the sudden closing of school and no written process or procedure for completing paperwork under these conditions.

#### Financial Report:

- Scott questioned the language related to expenditures and revenues on page 7. Duane acknowledged the wording could be clearer and will correct that for the final report for the BOE
- Duane reviewed major items in the report
  - Page 27 – capital assets increased almost \$8M during the year
  - Next page – notes on various debt

- Retired short term debt and replaced with \$7.4M in DASNY bonds
  - Currently \$12.8M in bonds outstanding – plus premium equals about \$14.2M
- Note #10 – reviewed the pension note regarding reporting pension liabilities and assets
- Note #11 – OPEB – large increase in total OPEB liability mostly attributed to a change in assumptions – discount rate declined significantly
- Executive Summary:
  - Duane reviewed the Executive Summary in greater detail. He noted the following:
    - Unmodified opinion on Financial Statements and Extraclassroom activity
    - Unmodified opinion on Supplementary Financial Information
    - No instances of noncompliance and no material internal control weaknesses for Financial statements or Single Audit
    - No comments of concern related to Communication document
    - He reviewed the 5 year trend analysis and pointed out changes between 2018-19 and 2019-20
    - He reviewed the 5 year fund balance analysis and pointed out changes between FYE June 2019 and FYE June 2020
- Duane talked about the future and the financial uncertainty.
- Jim Penwell questioned Duane about the possibility of using the ERS and TRS reserves more interchangeably. Duane advised that this had been suggested but there was no legislation passed yet.
- Beth Donahue asked Duane to discuss the use of reserves to address potential state aid reductions.

**Discussion:**