

## Bridgehampton UFSD Audit Committee Meeting Minutes of Meeting May 27, 2015

In Attendance:

Committee Members: Lillian Tyree-Johnson, Michael Gomberg, Jennifer Vinski  
Elizabeth Whelan Kotz, Chair.

Absent: James Kapon.  
Robert Hauser, CPA, Assistant Superintendent for Finance & Facilities  
Melisa Stiles, District Treasurer  
Dr. Lois R. Favre –Superintendent of Schools

Guest: Jill S. Sanders, CPA Cullen & Danowski, LLP

The meeting was opened by the Chair at 4:02.

Distribution of: Agenda

Audit Planning Meeting May 27, 2015 Year End June 30, 2015 presented to: Bridgehampton Union Free School District FSD by: Cullen & Danowski, LLP.

As noted: Minutes of the December 3, 2014 meeting were polled for approval by individual committee members and approved (unan.). A copy was submitted to the District Clerk on December 17, 2014 for filing and for distribution to the Board of Education for its review.

The meeting was turned over to Jill Sanders who reviewed in expert detail the *Audit Planning Meeting May 27, 2015 Year End June 30, 2015 presented to: Bridgehampton Union Free School District FSD by: Cullen & Danowski, LLP.*

In presenting this material, Jill reviewed the **Audit Team**, stating that she will take a leading role as Jenn Ditta will be on personal leave from the firm. Tom Mager and Tim Babcock will also be participating. An initial visit of May 4, 2015 had been conducted and another follow up is expected to prepare for the year end Audit.

The Audit **Engagement Objective** was reviewed, highlighting that the objective of this External Audit is to determine if the Financial Status is fairly presented and is conducted in the Standards of Fraud but it is not a Fraud Audit: it is a Financial Statement Audit. Various areas will be tested but the Audit does not include a detailed examination of all transactions, just a sampling. Jill reviewed the **District's Responsibilities** and what the District is responsible for including preparing the annual financial statements and providing requested information. Jill noted that the District has been very helpful and that some of the areas including making all financial records and related information available to the Audit team has been handled very well and she thanked the District's Business Office for its assistance. Included in the District's Responsibilities is the understanding that any individual who has knowledge of any allegation of fraud or suspected fraud affecting the District be advised of the obligation to contact the Auditors. Jill said letters, her firm is required to mail, have been sent to all parties and reviewed the process the Firm must provide.

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Jill reviewed the **Auditor's Responsibilities** which includes conducting the Audit in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS), as well as the Firm's obligation to communicate to the Audit Committee/Board of Education significant matters related to financial statement audit. The Firm will present its findings in the Management Letter.

Jill reviewed the **Areas of Audit Emphasis** in great detail and reviewed the Fraud Consideration which address the Identification, Consideration, and Response to Identified Fraud Risks.

Jill presented the **Timetable**: Planning/Interim (Week of May 4, 2015) – as well as a possible second visit. The final field work for Year End (Week of August 10, 2015) will begin only after the District's books are closed. And Reporting (October 2015) when Jill will be back to present the draft Audit reports and required communications of the Management Letter, AU-C-260 and AU-C-265 letters – if applicable – the Audit Committee and Board of Education. A review of the issuance of final audit reports via electronic submission to SED and OSC will be determined.

Jill provided extensive information on **New Accounting Standards** as well in her presentation. GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and GASB Statement No. 71 – Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.

The Audit Committee and those present felt Jill Sander's presentation was very informative and useful.

Bob and his staff will work with the Auditors according to the Timeline. The Audit Committee will meet next in October when Jill comes back to present the Draft Audit to the District. Bob will advise the Committee as the time gets closer.

Next meeting: TBA – October, 2015

The meeting was adjourned at 5:22pm.

Respectfully submitted,  
Elizabeth Whelan Kotz  
Secretary pro tem