


MEMORANDUM

TO: James J. Nolan
Superintendent of Schools

FROM: Bruce H. Singer
Associate Superintendent

DATE: October 7, 2011 

RE: AUDIT ADVISORY COMMITTEE MEETING MINUTES
OCTOBER 4, 2011

The Audit Advisory Committee meeting began at 7:00 p.m. on Tuesday, October 4, 2011. Present at the meeting were: Justin Alessi, Brent Jensen and David Spara, auditors from Toski, Schaefer & Co., committee members Pat Corrigan, Kevin Landry, Liz Morrison, Dorothy Roberts, Perry Russell, Al Sacher, Jeff Surrusco, and Dan Tempia, Ron Sacks and myself.

David Spara introduced and discussed the June 30, 2011 Financial Statements. He gave an overview of the major fund of the Sachem School District which comprises the District's financial statements. He discussed the audit in accordance with government auditing standards issued by the Comptroller General. David indicated the financial statements present fairly, in all material respects, the financial position of the Sachem School District as of June 30, 2011.

Toski, Schaefer has given an unqualified opinion as there were no material findings. Brent Jensen discussed the Federal Grant Compliance Audit. He reviewed the internal control over financial reporting of the various federal grants which Sachem receives. During the 2010/11 school year, Sachem's expenditures of federal awards were a total of \$18.1 million. There were no reportable findings. Two issues brought to management's attention during the 2010 audit were corrected.

David Spara spoke on the "Report to the Audit Committee" and the Board of Education and reviewed accounting procedures and processes used in developing the audit report and indicated there were no material findings. He next discussed the management letter addressed to the Board of Education. There was one note that inactive Capital Projects should be closed out.

I reviewed with the committee the response to be sent to the New York State Education Department and the New York State Comptroller. As part of the formulation of the 2011-12 budget, the inactive Capital accounts were reviewed. The 2011-12 revenue budget includes closing these projects and transferring the balances.

David Spara spoke about the fund financial statements. He reviewed the financial analysis of the District comparing fiscal year 2010 to 2011. Capital assets and depreciation were discussed. We reviewed the various differences between the two fiscal years and the various increases and decreases of reserves, expenditure lines and revenue lines. We discussed the changes in the General Fund fund balance and a review of the budget to actual.

The committee next discussed the balance sheet, future reserves and level of funding of the different budgetary account codes. Pension costs, health insurance and future liabilities that the District will incur were discussed. Also discussed was the 2% tax cap and its impact on revenue.

The Extra Classroom Activity Fund (ECAF) was discussed. We have changed the procedure where the District Treasurer oversees and assists the individual school ECAF treasurer. New ECAF software was implemented which will ensure consistency in monthly reporting.

Mr. Spara complimented the business operations of the Sachem School District. I, in turn said it takes a team approach and we are very fortunate to have outstanding staff in the Purchasing Office, Payroll Office, Business Office and Treasurer's Office. Collectively, this outstanding team receives superlatives on a regular basis. We have been audited twice this year by the New York State Comptroller's Offices, without one error being noted, i.e. health insurance payments and accounts payable payments. The New York State Education Department performed a Food Service Department audit and noted that the Food Service operation had no significant errors.

The meeting concluded at 11:00 p.m.

In the event you have any questions or concerns, please do not hesitate to contact me.

BHS:cmc

Cc: Audit Advisory Committee