

**BOARD OF EDUCATION
LEVITTOWN UNION FREE SCHOOL DISTRICT
LEVITTOWN, NY**

**DATE: NOVEMBER 2, 2022
MEETING**

AUDIT COMMITTEE

MINUTES

THE AUDIT MEETING OF THE BOARD OF EDUCATION, was duly called and held on Wednesday, November 2, 2022 in the Large Board Room of the Levittown Memorial Education Center.

CERTIFICATION:

The District Clerk certified that pursuant to Section 104, Open Meetings Law, notice of meeting was sent to the local newspapers, the Public Library and posted on the district's website. Further, all members of the Board of Education had due notice of said meeting.

Board of Education:

Ms. Jennifer Messina, President
Ms. Peggy Marengi, 1st Vice-President (Excused Absence)
Ms. Christina Lang, 2nd Vice-President
Ms. Marianne Adrian
Mr. Dillon Cain
Mr. James Moran
Mr. Michael Pappas

Administration:

Mr. Todd Winch, Superintendent of Schools
Mr. Michael Fabiano, Assistant Superintendent of Business & Finance
Ms. Debbie Rifkin, Assistant Superintendent of Human Resources
Dr. Beth Ziogiannis, Assistant Superintendent of Instruction

Others:

Mr. Robert H. Cohen, Counsel
Ms. Suzanne Mallozzi, District Clerk

CALL TO ORDER – Ms. Messina called the Audit Committee meeting to order at 6:30pm.

RESULT:	MOTION CARRIED [6-0]
MOVER:	James Moran, Trustee
SECONDER:	Christina Lang, 2nd Vice-President
AYES:	Moran, Adrian, Messina, Cain, Pappas, Lang
ABSENT:	Marengi

I. 6:30 P.M. - Anticipated Motion to move to Executive Session.

Recommended Motion: "BE IT RESOLVED, that the Levittown Board of Education does, hereby, move to Executive Session for the purpose of seeking legal advice from the Board's Attorney."

RESULT:	MOTION CARRIED [6-0]
MOVER:	Dillon Cain, Trustee
SECONDER:	Michael Pappas, Trustee
AYES:	Moran, Adrian, Messina, Cain, Pappas, Lang
ABSENT:	Marengi

II. 7:30 P.M. Reconvene Public Session

RESULT:	MOTION CARRIED [6-0]
MOVER:	Marianne Adrian, Trustee
SECONDER:	Christina Lang, 2 nd Vice-President
AYES:	Moran, Adrian, Messina, Cain, Pappas, Lang
ABSENT:	Marenghi

1. Pledge of Allegiance/Moment of Silence – Ms. Messina asked all in attendance to stand for the Pledge of Allegiance and to observe a moment of silence to remember all those fighting for our Country at home and overseas..

Mr. Michael Fabiano introduced Mr. Don Hoffman, Partner at Cullen & Danowski, Levittown District's Internal Auditors:

III. Report by Cullen & Danowski, LLP

Mr. Don Hoffman updated the Board and Central Office on the annual risk assessment. This report, through interviews with District management, accounting and other departmental personnel, was performed to develop an understanding of the critical business processes of the District, identify the key risks based on the auditor's understanding of those processes and identified the stated controls that are currently in place to address those risks. Ms. Lang, trustee, asked for clarification about the report on 1:1 devices, Mr. Hoffman responded that his recommendation for this year is to look at detail into the accounting records related to all equipment, including 1:1 devices, making sure that all purchases are added to the inventory thus making tracking that much easier. This past Spring, audit report for Capital projects was done with a follow-up to be done in Spring 2023. Mr. Pappas noted that since he's been on the Board, the Extra-classroom activity fund has always been a medium risk. Is there anything we're doing wrong and something that we can change? Mr. Hoffman replied that because of the inherent risk and the amount of people involved, it's very difficult to classify it as low-risk, particularly as it relates to initial receipt of any funds. Mr. Pappas - Is there any way to switch to electronic fund transfers, such as Venmo to leave a footprint? Mr. Hoffman: By eliminating as much cash as possible, it improves the likelihood that something significant won't go wrong, but as long as there's incoming money with teachers and students trying to account for its completeness, which is always the difficult issue. The structure here in Levittown, with the Advisors and Finance Clerks, was pretty strong. I don't remember any significant problems with it. Mr. Pappas asked for clarification that anything marked "Medium" on the report would be "inherent". Mr. Hoffman replied that anything marked "Medium" is something that they have not tested recently enough to say that it is low-risk. Mr. Pappas thanked Mr. Hoffman and his team for their many years of hard work, finding errors that the District was making, thereby allowing the District to make the necessary corrections. Mr. Pappas asked about the rules on leases have been changed? Mr. Hoffman replied that the accounting for leases changed, under GASB 87, requires, in certain circumstances, for leases to be accounted for as though you have taken possession of an asset and have an associated liability. The impact is on the government-wide financial statements, the impact on the general fund is insignificant. Next step is the District will prepare a corrective action plan and file it with the SED in the next 90 days. Cullen & Danowski will put together an engagement letter for the detailed testing work which will be done over the Winter and into the Spring for the inventory and the assets that were discussed. Ms. Messina asked about the written procedures regarding the Transportation department recommended in the report. Mr. Hoffman noted that this report was done in 2017 and no written procedures have been provided so far, and this will remain as a follow-up. When written procedures have been done and substantial progress has been made, it will be reviewed and possibly removed.

A Copy of the Internal Audit Risk Assessment Report can be found on the District's website.

IV. Report by R.S. Abrams & Co., LLP

Alexandria Battaglia and Christopher Schneider from R.S. Abrams & Co presented the findings of the External Audit. R.S. Abrams issued an unmodified opinion on the financial statements, so it is a clean opinion, which is the best opinion you can have. Business Office was very cooperative during the audit, with a special thanks to Treasurer Linda Dolecek and Assistant Superintendent Michael Fabiano No new findings, but status of the prior year findings were rolled over to include improved internal controls for the following: capital assets, extra-classroom accounts, school lunch fund balance, fund balance management. Mr. Pappas requested information on the beginning balance allowed for school lunch fund for 2022-2023 school year. Ms. Battaglia replied that the school lunch fund balance cannot exceed three months average of expenditures. Mr. Pappas asked what the balance was that we opened 2021-2022 school year? Ms. Battaglia replied that 2021-2022 school year lunch fund balance opened high as well, both due to federal and state funding received. Mr. Pappas asked for clarification on the EBLAR (Employee Benefit Accrued Liability Reserve) statement. Ms. Battaglia replied that the District does not have compensated absences, not included in employment agreements so you would have to revise your employment agreements to allow for that because we have a reserve but you don't have the liability to match that. Mr. Pappas noted that you can also draw it down, to which Ms. Battaglia agreed. Ms. Battaglia noted that there are no material weaknesses found during the audit. Mr. Pappas asked about the excess in the lunch fund, if that can be used for lunchroom cafeteria improvements? Ms. Battaglia replied yes, but that any requests to utilize those monies would have to be approved by the State Education Department and there is a list of these approvable expenses listed there to refer to, which could include facility upgrades. Mr. Fabiano noted that those numbers would be part of the District's comprehensive 5-year plan.

A Copy of the External Audit Risk Assessment Report can be found on the District's website.

Mr. Fabiano thanked both firms for their professionalism and thanked the business office, including Linda Dolecek, for their hard work, completing this audit two weeks ahead of time. Mr. Winch echoed Mr. Fabiano's comments and thanked everyone on behalf of himself and the Board of Education.

V. AUDIT COMMITTEE MEETING

VI. ADJOURN

RESULT:	MOTION CARRIED [6-0]
MOVER:	Dillon Cain, Trustee
SECONDER:	Christina Lang, 2 nd Vice-President
AYES:	Moran, Adrian, Messina, Cain, Pappas, Lang
ABSENT:	Marengi

Meeting adjourned at 8:05pm

Suzanne Mallozzi
District Clerk