

**PITTSFORD CENTRAL SCHOOL DISTRICT**

Audit Oversight Committee (AOC)

Wednesday, September 28, 2022

Barker Rd. Middle School – Mtg. Room 410

3:30 pm

THOSE PRESENT: K. Barrett, J. Casey, M. Pero, L. Reister, R. Sanchez-Kazacos (3:42pm), R. Scott,  
Mike Vespi, G. Winter, T. Zuber

THOSE ABSENT:

1. The committee approved the minutes from the June 1, 2022 meeting.
2. AOC Charter review
  - a. It was agreed that, under the operation category the statement, “The Committee shall meet a minimum of four times each year,” will be changed to a minimum of three times each year.
  - b. Rene’ Sanchez-Kazacos was nominated chairperson for the AOC committee

Mr. Vespi introduced Tom Zuber, Partner of Mengel Metzgar Barr & Co. CPA’s LLC. Mr. Zuber reviewed the External Audit for the year ended June 30, 2022. Mr. Zuber explained that the external audit is a basic financial statement and reviewed the Financial Executive Summary. This summary lists information from the fiscal years 2021 & 2022. He explained the various parts of this document including:

- General Fund – A summarized balance sheet – The main operating fund for the District
  - There was an increase in total assets
  - The largest portion of liabilities is due to employee retirements
  - Liabilities went up from last year due to benefit rates. HRA’s are no longer in contracts, but not all employees that had HRA accounts have depleted them. The HRA amount will never get larger but will decrease as employees spend down these accounts.
  - Unassigned fund balance was under 4% per law

Mrs. Sanchez-Kazacos arrived at this time – 3:42 pm.

- Reserve Analysis – Very Positive
  - PCSD utilized reserves during COVID for necessary expenses
  - Capital Reserves continued to be funded
  - Unemployment Reserves may need to be reallocated
- Revenue Summary
  - Positive variance
  - Misc. entry increase was largely due to BOCES refund from programs that were canceled due to COVID.
  - 25% of revenue surplus was due to COVID Federal Funds
- Expenditure Summary – Spent approximately 92% of budget
  - Spending is becoming back in line with past spending, but without federal funds from COVID this could be difficult to meet.
- Summary of Other Funds
  - School Lunch – Pittsford does not participate in the federal School Lunch Program, the District’s program has positive variance
  - Special Aid - Substantial amounts of stimulus funds are being spent on this program. The District has 1-2 more years to use these funds.
- The last page of the Financial Executive Summary is a corporate report that pulls in all the information.

Mr. Zuber stated that Pittsford's assets increased from 2021 to 2022 due to positive financial results including federal stimulus dollars. He stated that school districts are among the most audited entities and typically have good checks and balances. He added that Pittsford does an excellent job managing finances.

Mr. Zuber ended by saying that the financial statements are clean with no material weaknesses or serious inconsistencies

Mr. Zuber left the meeting @ 4:08pm

Mrs. Sanchez-Kazacos accepted the position of AOC chair for the 2022-23 school year.

Mrs. Reister introduced Kathy Barrett, Freed Maxick CPAs, P.C. Ms. Barrett explained that the process of an internal audit includes extensive interviews with key stakeholders using checks and balances to identify areas of risk. She reviewed the Risk Assessment Summary including areas of low, moderate and high risk. She stated that a risk score can range from 200-600.

- Pittsford does very well with good internal controls – received scores in low to mid 200's – Very low
- Payroll Processing & Purchasing were higher risk. This is largely because The District has many new employees and new employees create a higher risk.

There was a brief discussion regarding the school lunch cash receipts. Minimal cash is used now for school lunches, which reduces the risk of cash register use. My School Bucks and the Web Store are both frequently used.

Ms. Barrett stated that grants are also an area of risk as there are new people involved, there are many new grants and the rules for how to use these funds can change even after receiving the funds. Next year this should settle down, which should lower the risk.

Ms. Barrett also discussed the District's Internal Audit Plan. She explained that Pittsford can request an Internal Audit at any time and that Freed Maxick can build an audit for any area of concern. The group discussed possible areas for an internal audit including purchasing, grants and food service. The committee agreed that a purchasing audit would come first. The committee discussed a one-year plan vs. three-year plan. The group will revisit this in spring 2023.

Ms. Barrett finished by stating that Pittsford has a very good process and she saw no red flags. She stated that she appreciates the District's cooperation and it is wonderful to work with Mrs. Reister and Pittsford's Business Office.

Mrs. Reister introduced Ginny Winter, PCSD Claims Auditor. Ms. Winter explained the January 2022 through June 30, 2022 Claims Auditor report. She explained that she keeps a log of discrepancies. She found no significant areas of fraud.

The committee discussed the need for training on Wincap and purchasing for clerical staff as many are new employees. Ms. Winter stated that this is a common area to improve on.

Ms. Winter passed out an updated copy of the Comparative Analysis of Accounts Payable Transactions and Dollars to replace the one in the AOC packet.

Ms. Winter left the meeting at 4:20pm

Mr. Vespi covered some information items:

- Extraclassroom and Single Audit Dates (October 18-22) - Drafts will be submitted
- Extraclassroom training for teachers occurred on 9/28/22. Mrs. Reister explained the process for this training.
- Food inventory audit is done annually at the end of June
- Capital Reserve review
- The Board will vote on the Bus Reserve as it will be reaching the funding limit. The District will need to put this on the vote in May.

There was a brief discussion regarding creating a plan to incrementally bring on e-buses.

Meeting adjourned 4:44

Respectfully submitted,

Donna Hansen

Asst. to Asst. Supt. for Business