

North Shore Schools
Audit Committee Meeting
October 24, 2024
7:25 P.M.
Middle School Cafeteria

Present: Trustees Andrea Macari, Lisa Cashman, Lisa Colacioppo, Richard Galati, David Ludmar, Maria Mosca, and Jame Svendsen. Committee Member Mr. Andrew Spieler. Superintendent Dr. Christopher Zublionis and Assistant Superintendents Dr. Carol Smyth and Mr. James Pappas. External (Independent Auditor) Mr. Alan Yu of Cullen Danowski. Committee Member Roger Friedman was absent. There were no members of the public in the audience.

Mr. Alan Yu, one of the partners of Cullen Danowski, explained that he was at the meeting to review the audit of the financial statements for year ending June 30, 2024, as required by state law. Mr. Yu explained that a draft audit report has been provided to the Board prior to this meeting.

Mr. Yu reported that the report is free of material misstatements, is in compliance with the law as required by Government Standards, there are no modifications, and they have issued an unmodified opinion with no material weaknesses. He stated that this is the highest opinion they can give an auditee.

Mr. Yu explained that an external audit is not a forensic audit. During the audit they test internal controls on a sampling basis and this testing did not have findings of any material weakness.

Mr. Yu reviewed general fund which ended with an increase in fund balance from the previous year and remains just below the 4% statutory limit allowed by real property tax law. He reviewed the use of reserves for the year, including what was spent from the TRS, ERS and Workers' Compensation reserve. He explained that TRS is still not fully funded and ERS has funds that the District can continue to draw from.

Mr. Yu reported that the District has spent over 98% of what was budgeted and has been doing so for the last 4 fiscal years. He noted the District has done a very good job of budgeting indicating they do not have too much room in their budget and the administration is very careful not to over budget. Additional funds have come on the revenue side from interest earned, although some revenue decreased such as the grant from the state and LIPA direct payments decreased by \$1.8M as part of the settlement.

Mr. Yu reported that the recommendations from the prior year's audit have been implemented and corrected. The School Food Service Fund total fund balance increased by \$50,000. The District also revised its capital assets policy to include intangible right-to-use lease assets and provide capitalization threshold and amortization criteria.

The current year's recommendation is in the extra-classroom activities clubs. While there were no findings within their audit samples, they do recommend that the District continue to monitor the records and documentation provided by the student clubs and communicate with faculty advisors as needed to ensure that both the District's extra-classroom procedures developed by the Business Office and the State's guidelines for maintaining extra-classroom activities funds and record keeping are being followed.

Trustee Ludmar suggested that language be placed in the report regarding the potential cliff in 2027-28, in the section regarding Future Budgets concerns.

Mr. Spieler asked Mr. Yu if he had any insight on trends with the pension system. He also asked why the net liability has decreased. Mr. Yu explained that the amount is determined by how well the pension fund's investments have done in the financial market. The decrease is related to their pension assets being lower than last year; the higher the discount rate, the lower the liability.

At 7:55 p.m. the meeting was adjourned.

By: Elizabeth Ciampi
District Clerk