

North Shore Schools
Audit Committee Meeting
April 16, 2024
Middle School Cafeteria
7:30 p.m.

Present: Trustees Andrea Macari, Lisa Colacioppo, David Ludmar, Maria Mosca, and Mr. Roger Friedman and Mr. Andrew Spieler.

Absent: Trustees Richard Galati and Lisa Cashman

Also present: Superintendent Dr. Chris Zublionis, Assistant Superintendents Dr. Carol Smyth and Mr. James Pappas and Mr. Alan Yu of Cullen and Danowski.

Mr. Yu explained his purpose tonight is to review the audit plan for the external audit of the financial statements for fiscal year ending June 30, 2024. In addition, he will review the Federal Single Audit recently issued for June 30, 2023, for Federal Grant Awards. He explained that districts who receive and expend more than \$750,000 a year from the federal government are subject to a federal single audit. Mr. Yu further explained that each year his firm evaluates various grant awards and ranks the risk assessments of those grants considered in a fiscal year. The government allows up to 9 months to complete the federal single audit and this was completed timely. The District received \$2.3 million in federal awards. For this audit they identified the Education Stabilization Fund, grants for COVID money and FEMA reimbursements. Mr. Yu reported there were no findings with regard to controls or instances of noncompliance in regard to those awards. Mr. Yu reported that the North Shore CSD qualified as a low-risk auditee as there were no reportable findings or material weaknesses over the last two years. He said the District should be very proud to be ranked a low-risk auditee.

Mr. Yu then reviewed the Audit Plan for the External Audit for fiscal year ending June 30, 2024. Beginning with the Engagement Objectives (Audit of Financial Statements and Federal Single Audit): The Audit Engagement (designed to give reasonable assurance of whether the financial statements are free from material misstatements); Auditor and District's Responsibilities; Audit Methodology & Approach (Audit Planning & Risk Assessment; Controls Evaluation & Testing; substantive Testing; Completion & Reporting). Mr. Yu explained that the firm will not opine about district controls but will bring to the management's attention where they find deficiencies. In the fall, the audit report will be reviewed, and any findings will also be reviewed at that time. The new GASB 99 statement addresses practice issues identified during the implementation of certain previously issued GASB statements.

Mr. Friedman asked Mr. Yu if there were deficiencies found during the internal control testing phase, would that be discussed. Mr. Yu explained that if the internal controls are operating effectively, they would not opine on the system as a whole, but during review and testing if they came across an exception or finding, it would be reported in a management letter.

Mr. Spieler thanked Mr. Yu for a precise presentation. He asked if Mr. Yu could foresee any issues coming up for the next meeting, anything left from COVID funding and changes in interest rates that might affect the balance sheet. Mr. Yu explained that they are required to use the reports that TRS and ERS provide. He further explained that the District has no control on the contribution rate so it is hard to predict. Currently the contribution rate is 9.76%. Mr. Friedman confirmed that this is true of all districts and asked if this is already in the budget for 2024-25. Mr. Yu confirmed the District already has the rates for next year and has budgeted for it. However, the rates for health insurances does change in

January and that information is shared sometime late November. Mr. Pappas added, they do build in estimates for that in the budget. Dr. Zublionis also added health insurance has increased 20% over the last couple of years.

At 8:05 p.m. the meeting was adjourned.

By: Elizabeth Ciampi
District Clerk