

## **Audit Committee Meeting Minutes November 18, 2019**

Jill Reichhart, Dr. Lesli Myers-Small, Thomas Zuber (Partner with Raymond F. Wager, a division of Mengel Metzger Barr), Kathy Robertson, Dave Howlett, Robert Lewis, Darrin Winkley

### **Financial Executive Summary**

Tom Zuber distributed and reviewed the 2018-2019 Executive Summary with the following highlights:

- **Reserve Funds** – Tom reviewed the district’s fund balance as of June 30, 2019 (increased \$1,243,286 from the prior year) and discussed the reserve funds the district has established. Specific focus was on the non-spendable (prepaid items) and the Retirement Contribution Reserves. Tom discussed the liquidity and flexibility the Board has with the Retirement Contribution Reserves. Tom also reviewed with the committee the strategic use of applying fund balance to capital projects that have not been bonded as the district did at the end of the 18-19 year.
- **OPEB (Other Post-Employment Benefits) obligation** – Tom reviewed page 6 of the executive summary focusing on the \$195M OPEB obligation. Brockport has one of the highest OPEB obligations in the county due to our retirement benefits and recommends the district continue to monitor the situation. He also discussed with the committee that this large liability may eventually affect the districts bond ratings.
- **Food Service** – Tom also discussed the 18-19 deficit that occurred (\$103,170) in the food service fund. Tom mentioned this is still typical of what he is seeing around the county/state. Discussion followed on reasons why deficits are occurring (e.g. declining enrollment, meal requirements such as fresh fruit, staffing costs, etc.).
- **Management letter and corrective action plan** – The committee reviewed the management letter and discussed the corrective action plan. There were two main comments, one related to purchasing policy updates and the other to old projects within the capital fund. The district will take appropriate action to correct these two items.