

Averill Park Central School District
Audit Committee Minutes
September 14, 2020
Via Zoom
5:30 p.m.

In attendance:

Audit Committee:

Chris Foster
Meghan McGarry
Ann Morone

District Administration:

Michael Ouimet, Assistant Superintendent for Business

Guests:

Heather Lewis, Director – Marvin & Co., CPA's

1. Ms. Lewis presented the results of the District's 2019-20 independent audit. Below are the audit objectives of Marvin & Co., CPA's as reported by Ms. Lewis to the Audit Committee at its meeting on July 27, 2020. Following the audit objectives in the italicized print are the related excerpts from the independent auditor's report as presented to the Audit Committee by Ms. Lewis that address the audit objectives.

A. Objective of External Audit

- Opinion on whether financial statements are presented in accordance with generally accepted accounting principals.

Audit Report page 2.

Auditor's Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Averill Park Central School District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

- Report (but not an opinion) on internal controls and compliance with laws and regulations in accordance with *Government Auditing Standards* (“the Yellow Book”)

Audit Report page E1.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Audit Report page E2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

- Opinion on Each Major Federal Program (required by OMB Circular A-133 – the “single audit”).

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Audit Report page F2.

Auditor’s Opinion on Each Major Federal Program

In our opinion, the Averill Park Central School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

- Opinion on ECAF financial statements prepared in accordance with the cash basis of accounting.

EXTRACLASSROOM ACTIVITY FUND, page 2.

Opinion

In our opinion, the financial statement referred to in the first paragraph present fairly, in all material respects, the statement of cash receipts, disbursements and cash balances of the extraclassroom activity fund of Averill Park Central School District as of and for the year ended June 30, 2020, in accordance with the cash basis of accounting described in Note 1.

- Ms. Lewis referred the Audit Committee to the ECAF Management letter detailing three internal control matters that in Marvin and Co.'s opinion require corrective action by management. Mr. Ouimet indicated that the District will prepared a corrective action plan (CAP) for review and approval at the October 19, 2020 Board of Education meeting.
- Ms. Lewis referred the Audit Committee to a special note on B41 related to a Contingency disclosure regarding the COVID-19 pandemic.

CONTINGENCY

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a respiratory disease, to be a pandemic. It is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future operations. The District's operations are heavily dependent on real property taxes and state aid. Additionally, access to grants, funding and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak will likely have a continued material adverse impact on the economy and cost of education. In August 2020 the Governor signed legislation that provides financial flexibility to school districts as a result of the pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued.

Note: Complete audit reports can be obtained by contacting Michael Ouimet, Assistant Superintendent for Business at ouimetm@apcsd.org

2. Meeting adjourned at 6:20 p.m.