

**Beekmantown Central School District
Audit Committee Meeting**

Place: District Office Conference Room

Tuesday, October 16, 2007

Time: 2:30 p.m.

Minutes

Call To Order The Audit Committee Meeting was called to order at 2:30 p.m.

Members Present **Roll Call**
Karen Armstrong
Earl Burnell
Absent: Stan Kourofsky

Others Present Scott Amo, Superintendent
Ron Clamser, Business Manager
Jack Conroy, Auditor

Independent Audit Report Ron Clamser, Business Manager, stated that the Audit Committee and Board of Education have been provided a copy of the Independent Auditor's Report for the year ended June 30, 2007 by Conroy, Boulrice, Telling & Trombley, PC dated September 10, 2007. The Audit Committee members present indicated that they had read the audit report.

Mr. Conroy indicated that his firm prepares the district-wide financial statements, fund financial statements, and notes to the financial statements. The district prepares the management's discussion and analysis.

The Governmental Accounting Standards Board's Statement #34 (GASB 34) requires that reporting financial status take place in a district-wide format, which provide both long-term and short-term information about the School's overall status. Financial reporting at this level uses a perspective similar to that found in the business world. The district-wide financial statements are presented on pages 13 and 14 of the report.

The fund financial statements reflect the School use of funds to ensure and demonstrate compliance with finance-related law and regulations. These statements focus on the School's most significant funds which are reported separately. The basic governmental fund financial statements are presented on pages 15 through 17 of the report.

Fiduciary Funds such as the scholarship accounts, extra-classroom activity balances and other payroll withholdings are reported in the fiduciary fund financial statements, but are excluded from the district-wide reporting. Fiduciary fund financial statements report resources that are not available to fund school

programs. The basic fiduciary fund financial statements are presented on pages 18 and 19 of the report.

Notes to the financial statements begin on page 22 of the report.

Mr. Conroy reviewed the difference between the reporting by governmental funds and GASB 34 by referring to Page 21 of the report and he utilized Pupil Transportation to explain this difference. Total government funds would be the same expenditure as reported in the district's annual financial report. Capital related items (principal expense less depreciation) would be added to the total government funds to equal the statement of activities total for Pupil Transportation under GASB 34.

Mr. Conroy explained that the district had an excess of revenues over expenditures and other uses as shown on Page 44 of the report. He reviewed the New York State Real Property Tax Law Section 1318 which allows a district to maintain an unappropriated fund balance of 3% of the next year's budget. This percentage will be increased to 4% for 2008-2009.

Mr. Conroy discussed the various petitions for tax certiorari proceedings which if successful would result in refunds of school taxes and the fact that the district has established and funded a reserve for tax certiorari.

Mr. Conroy informed those present that GASB #45 would become effective July 1, 2008 and would require the district to budget for an actuary study which would cost between \$8,000 and \$20,000. Mr. Clamser indicated that this study may be done through a B.O.C.E.S. Service.

Ron Clamser indicated that a part of his areas of responsibilities will be to review and approve journal entries. He also indicated that policies and procedures are under development to address the concerns of the auditors regarding voided checks and grants.

Karen Armstrong moved, seconded by Earl Burnell, to recommend acceptance of the Auditor's Report to the Board of Education at their October 23, 2007 meeting after their final review.

Adjournment

A motion was made by Earl Burnell, seconded by Karen Armstrong to adjourn the meeting at 3:45 p.m. All Audit Committee Members present voted yes—motion unanimously carried.

Respectfully submitted,
Karen Armstrong