

HORNELL CITY SCHOOL DISTRICT  
BOARD OF EDUCATION  
**AUDIT COMMITTEE MEETING**  
OCTOBER 10, 2007-6:00  
SCHOOL DISTRICT OFFICES-PEARL STREET

Attendance: Dr. David Weyand, Mr. Paul Mc Anany, Mrs. Carol Berry, Dr. Pasquale Picco, Superintendent George Kiley, Mr. Wayne Drescher of Drescher and Malecki, and Rich Dunning.

The meeting was called to order at 6:22 pm.

A motion to approve the minutes of the June 18 audit committee meeting was offered by Dr. Weyand and seconded by Mrs. Berry. With no discussion the motion was carried, ayes all.

We reviewed the internal auditor's report of 2006 risk assessment dated June 18, 2007. Purchasing procedures and lists of approved school employee purchasers were discussed. Credit card use and petit cash distribution requirements were reviewed and Mr. Mc Anany made a motion that the committee recommend to the full board that they accept the internal auditors report.

We then reviewed the corrective action plan to remedy deficiencies of risk assessment findings. Mr. Kiley said much work was done over the summer to change policies. Some policies will be in place by December 2007 and all policies will be in place by the end of the school year.

Mr. Mc Anany made a motion that the audit committee recommends the corrective action plan to the full board for adoption. The motion was seconded by Dr. Weyand. With no further discussion the committee voted. Motion approved ayes all.

The committee then revisited our attempts to invite a community member with financial experience to join the audit committee to lend their expertise. To date no one has answered the ad seeking a candidate that the school placed in the Evening Tribune. No further action taken.

Mr. Wayne Drescher of Drescher and Malecki outlines the school district audit report for the year ending June 30, 2006 the committee. Mr. Drescher commented that the district received a good report. School district employees gave access to all records. Mr. Drescher also highlighted several problems. A need to restate the value of our assets last year, we also need a journal entry procedure, and a more stringent inventory procedure.

Mr. Drescher stated we had a general fund balance of \$1.3 million, and our capital fund depleted by \$100,000 for the pool repairs. Mr. Drescher concluded his remarks by

restating that we had a good audit and a great business office staff. We as a committee need to adopt the policies recommended in the internal audit report.

Next Mr. Kiley and Mr. Drescher discussed the implications of the GASB 45 legislation. This law requires school districts to enumerate and then encumber the dollar amount of benefits accruing to district employees in deferred compensation other than the NYS retirement plan. This school district policy must be in place by June 30, 2009. according to Mr. Drescher. Mr. Kiley stated that he had heard that this requirement may be relaxed or removed.

Dr. Weyand made a motion to accept the external audit from Drescher and Malecki and recommend its acceptance to the full board. The motion was seconded by Mr. McAnany. With no further discussion the motion carried, ayes all.

The next meeting of the audit committee is to take place at 6:00 on the date of the first school board meeting of 2008.

A motion to adjourn the meeting was made by Mr. Mc Anany and seconded by Dr. Weyand. The committee voted to adjourn. Ayes all. Meeting adjourned at 6:57.

Respectfully submitted,

Rich Dunning