

# Special Audit Committee Meeting Transcript

March 27, 2025, 1:52PM

 **Lew Naylor** 3:57

But it's.  
Any.  
I see.

 **Dave G. Rhodes** 5:42

Good morning.

 **Bryan Erhard** 5:49

Good morning.

 **Nathalie Lynch-Walsh** 5:57

Morning all.  
Grabbing a water.  
See who do we have?

 **Dave G. Rhodes** 6:20

I will be.

 **Nathalie Lynch-Walsh** 6:20

Umm.

 **Dave G. Rhodes** 6:21

I will be leaving my camera off so that I don't distract anyone with the injury to my head. I was trying to pick up a hose off the ground and wrap it back around that hose.

Thing and when I stood up, I whacked my head on the bottom of this freaking iron thing. And it it definitely does not look nice.

I look a little bit like Gorbachev.



**Robert Mayersohn** 6:49

I think we have to do an audit on that.



**Dave G. Rhodes** 6:51

Yeah, you can't.

Unfortunately, I don't have any cameras out there that would have picked that up, but I'll talk to my neighbors and see if there's anything 'cause. I'm telling you what I saw stars.



**Nathalie Lynch-Walsh** 7:01

I bet.

God.

Yeah, I have not injured myself yet, although that sounds like something I could manage to do.

I'm always hitting my head on things.



**Dave G. Rhodes** 7:15

Well.



**Nathalie Lynch-Walsh** 7:15

'Cause I I don't pay attention and I don't pay attention enough sometimes because I'm too. I'm too in my head.

That I don't pay attention sometimes to what's right in front of me and I forget.



**Dave G. Rhodes** 7:27

Well, my my son's dog slept with me last night and I think when I was asleep, he slept on my right foot because either that or I'm now at that age where I can hurt myself in my sleep because I woke up this morning with a so.

Right foot and I don't exactly why I did wake up a couple times with him laying very close to my foot and he's an 80 LB dog, so he may have laid there so long that I just lost circulation or something, but.

I'm working on getting that one back too, so I'm a mess.

I'm a mess this week.

I can't wait for this week to be over.

**NL** **Nathalie Lynch-Walsh** 7:59

Oh yeah.  
Well, I still have stuff to get done today.  
I'm trying to balance spring break with everything else.  
And my child.  
My high schooler, who has more events that she has to attend than all of us combined.

 **Dave G. Rhodes** 8:19

Oh boy.

**NL** **Nathalie Lynch-Walsh** 8:19

Yeah, she just dropped another one. She goes. Oh, and I need a pink dress for the fspa.  
I'm like the what now?  
Yeah, so all right.  
Well, it's 10/01.  
Do we know who's definitely not coming to dinner?  
So we know if everybody I see Oleg Roberts.  
Or also to be known as Tallahassee, Bob Lewis.  
Here you're here. Ali. Oleg.

 **Dave G. Rhodes** 8:46

My normal checklist, I didn't receive this time because Derek is off this week.

**NL** **Nathalie Lynch-Walsh** 8:47

Ken.

 **Dave G. Rhodes** 8:53

And I was monitoring as they came through and I thought that I saw that Mister de Meo had accepted as well.  
And hang on one second, let me just see if I can figure that out real quick.

**NL** **Nathalie Lynch-Walsh** 9:07

Well, did anyone say they weren't coming?  
You don't know.



**Dave G. Rhodes** 9:11

Let me double check that to be sure.



**Nathalie Lynch-Walsh** 9:13

Oh, I think we just gained there, Mr. Demale.

03 people.

Two people just popped up.



**Dave G. Rhodes** 9:21

OK.



**Nathalie Lynch-Walsh** 9:22

Alright, so I think we might be good to go.

Why can't I see? Here we go.



**Dave G. Rhodes** 9:27

I will.

I will disregard that search then and we'll go ahead and take what we got.



**Nathalie Lynch-Walsh** 9:32

OK.

All right. We may get joined by a couple more people, but for now have a fairly full house.

Just grab my notes.

OK.

All right, I'll pull up the agenda, Mr. Rhodes.

I'll need one of you guys to tell me whose hand is up. 'cause. I can't see. Once I share a screen.



**Dave G. Rhodes** 9:57

I'll keep an eye on that and let you know.

**NL** **Nathalie Lynch-Walsh** 9:58

Yeah.

OK.

Thanks. And I guess we can go ahead and call this special meeting of the Audit Committee to order at 10:02 AM, so we can go ahead and record.

1st Order of business. You guys have the flag for the Pledge of Allegiance or virtual flag.

 **Dave G. Rhodes** 10:18

Right.

**NL** **Nathalie Lynch-Walsh** 10:23

Or not.

Oh.

Almost.

There we go. All right.

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

 **Dave G. Rhodes** 10:31

Pledge allegiance to the flag of the United States of America and to the Republic for which it stands one nation.

**LN** **Lew Naylor** 10:36

To the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

 **Dave G. Rhodes** 10:42

Under.

God.

**NL** **Nathalie Lynch-Walsh** 10:45

I was trying to say In Sync, but that wasn't happening. All right, Mr. Rhodes, can we do roll call, please?



**Dave G. Rhodes** 10:51

Indeed, Ruth Carter Lynch.



**Nathalie Lynch-Walsh** 10:55

Bassauer.



**Dave G. Rhodes** 10:58

Chris Upton.

Anthony de Meo.



**Anthony De Meo** 11:04

Here.



**Dave G. Rhodes** 11:05

Mary fertig.

Matthew Friedman.

Oleg gorokhovsky.

Doctor Natalie Lynch Walsh.

Robert mayerson.



**Robert Mayersohn** 11:20

I'm here.



**Dave G. Rhodes** 11:21

Andrew medvin.

Lou Naylor.



**Lew Naylor** 11:26

Here.



**Dave G. Rhodes** 11:27

Phyllis Shaw.

Jill Baron.

That is list.

**NL** **Nathalie Lynch-Walsh** 11:36

OK.

All right. I see Ruth is muted, but she is online here.

So all right, do we have any public comment I don't see.

 **Dave G. Rhodes** 11:49

We have no public comments that I've made aware of.

**NL** **Nathalie Lynch-Walsh** 11:52

Okey dokey. Moving along. Any housekeeping?

 **Dave G. Rhodes** 11:59

The only the only thing that I could think of with regard to housekeeping was just to give you guys an update quickly on we will be hearing at the April 15th board meeting on the audit that had been tabled as well as there is an audit program that. Is about 95% developed for the follow up audit for Atlantic West Elementary to go out and do that deeper dive that we discussed last time.

**NL** **Nathalie Lynch-Walsh** 12:26

Refresh our memories, which one was tabled?

 **Dave G. Rhodes** 12:29

The one that was tabled was the one that had to do with Miramar Elementary School and the Conference Table, Office chairs and label maker.

**NL** **Nathalie Lynch-Walsh** 12:37

OK.

All right, the one I've been trying not to say was the money laundering 1.

OK, Miramar.

That's where they they used it for they put it into the trust so they could buy the conference tables, OK.

Miramar.

And then the other one, the follow up to Atlantic West.

Atlantic.

West.

I will be transmitting that motion that we made this week.

I wanted to do some extra digging and in digging what I found out was and.

Granted, I've been on the audit committee for 10 years and it never occurred to me that this, that nobody was reconciling.

So what it seems like is the district uses the audit.

Function to supplant inventory reconciliation.

In that Once Upon a long time ago, there was an inventory and property, property and inventory control department, which was either decentralized and or absorbed into the audit function.

Which might explain why the property and inventory audits used to have a sentence in there that.

That.

Inventories were the responsibility of the audit department, and if this occurred, it occurred 10/15/20 years ago potentially.

But essentially, when you read the business practice Bulletin, there isn't any mention of reconciliation.

So the only reconciling that seems to happen does not occur during physical inventory and I I guess as an someone who's done financial reporting.

Reporting inventory. It never occurred to me that people that were engaged in a physical inventory process, that the next step wasn't to input your physical count, to compare it to your system count and then resolve discrepancies.

But if you look at the business practice Bulletin, that doesn't happen.

So something went sideways in the process eons ago.

And has just been.

And so it isn't until you audit.

It.

That you find out that you might be missing 66 because the process doesn't require you to.

There's a form that you fill out the is it the P and I 811 or something form. But the process that I was always taught and that we did and I don't think I worked in overly \*\*\*\*.

Companies, you have the system count. You got your physical count and you got to input the physical count to compare it to the system count.

And then wherever there are differences, those have to be dealt with.

That doesn't happen when all these locations do a physical count, they do a physical count.

There's a form that says.

Did you fill out everything?

Did you do this?

Is everything fine?

And they check, yes, but there doesn't seem to be a mechanism by which you compare the two.

So I wanted to kind of understand the process and.

It just never occurred to me until.

This audit that the district's physical inventory does not include reconciliation.

I.

I I.



**Dave G. Rhodes** 16:10

And Matt, Madam Chair, if I may, I just wanted to let you know that the the development of the audit program right now is ultimately going to answer that question one way or the other. We're going to find the answer to that question as we go through it.



**Nathalie Lynch-Walsh** 16:27

Which question?



**Dave G. Rhodes** 16:29

The question about the the property in it. I'm sorry the the semiannual inventories. What is it that they actually do when they compare that to the the system listing of all the assets attached to their location?

Do they actually have a physical report that identifies what they found and and appointed for during their semiannual and what the comparison was to what SAP?



**Nathalie Lynch-Walsh** 16:50

Versus.



**Dave G. Rhodes** 16:57

The master database.

And what were the discrepancies and how did they resolve those discrepancies or take steps to resolve those discrepancies?

 **Nathalie Lynch-Walsh** 17:06

So it does.

I did.

I stand corrected.

It does mention in an exhibit the word reconciliation, but that seems to pertain to reconciling.

The district 'cause, apparently the district location, has a list. And then there's what's an SAP.

And then you reconcile that, but there's no mention of reconciling what you're actually counting.

To what should be on hand.

And like I, so this was.

Like another exercise where I wanted to go tear up my accounting degree.

Because I don't understand what we're doing around here.

It never occurred to me, or if it did, it hasn't occurred to me for I forgot that we knew this.

But they don't reconcile.

 **Dave G. Rhodes** 17:52

One one other thing, if I may.

 **Nathalie Lynch-Walsh** 17:55

Yeah. And then.

 **Dave G. Rhodes** 17:57

Ali had her hand up for a second, but it's not showing up as being raised on the screen.

 **Nathalie Lynch-Walsh** 17:58

I'm.

 **Dave G. Rhodes** 18:00

Ali, was that just like?

Accident.



**Ali Arcese** 18:04

No, I mean I I just wanted to concur that that is that has been the issue for many years is the lack of reconciliation in prior audits that I know that I managed that was definitely the main contributor to a lot of the issues that we found at.

The school, so this isn't new.

This is something that had been.

You know, acknowledged.

The Florida Administrative Code 69 I 73 does talk about the reconciliation and some of the recommendations that we made. We submitted to the accounting and financial reporting a long time ago was to include language and provide schools.

What that looks like, what does that process look like?

And so it never got updated.

So I just wanted to add that.



**Nathalie Lynch-Walsh** 19:02

What never got updated.

The business of business practice.



**Ali Arcese** 19:06

Practice bulletins, right?



**Nathalie Lynch-Walsh** 19:09

And you said Florida administrative code 69, I.



**Ali Arcese** 19:14

Dash 73.



**Nathalie Lynch-Walsh** 19:16

Dash 73.

Yeah, but.

There is no inventory control department like there's nobody centrally located.

That's responsible for for overseeing inventory reconciliation, which is another

problem.  
So I'll go look.

 **Ali Arcese** 19:39  
Correct.

 **Nathalie Lynch-Walsh** 19:39  
Can you find a an audit where that Florida administrative code was mentioned and?

 **Ali Arcese** 19:47  
Most.  
Yeah, most of my reports had that I will.  
I was just looking online.  
I want to say where am I?  
What school is this?  
Yeah, I'll pull a report.

 **Nathalie Lynch-Walsh** 20:00  
Is it is OK?

 **Ali Arcese** 20:00  
This is from 2021.  
I have a report where I identified, you know, the lack of reconciliations and stuff like that.  
So I'll I'll forward those.

 **Nathalie Lynch-Walsh** 20:10  
OK.

 **Ali Arcese** 20:10  
To Dave so he can send them to you.

 **Nathalie Lynch-Walsh** 20:12  
But OK, thanks.  
Because lack of when they got rid of that department, I think is when lack of

reconciliation probably started, but that that goes back to like 1999 and 2000. So it it's been the structures been that way forever now. Anyway, that's so more to come on that, but I'll be sending out the motion with that.

Additional information.

And then, yeah, if I can, if we can get the one that you mentioned, the floor, I'll go look at the floor administrative code and then that'll get sent out with the motion as part of the background and additional information, OK.

So the anymore housekeeping, Mr. Rhodes.



**Dave G. Rhodes** 20:58

Just one quick thing, Gabriel, if you can go ahead and send those items off to the chair, that would save some time because we have that readily available. And I also just wanted to mention that Miss Arlotta has joined us.

So we do have some representation from the accounting group and I also see another person who joined, but it's only by a phone number that let me see if I can figure out real quickly who this.



**Nathalie Lynch-Walsh** 21:23

Or or we could ask them.



**+19\*\*\*\*\*01** 21:24

Dave, it's, it's, it's Andy Medvin. My team isn't working, so I'm on the phone.



**Nathalie Lynch-Walsh** 21:26

To.

Oh.



**Dave G. Rhodes** 21:28

OK.

Very good.



**Nathalie Lynch-Walsh** 21:30

All right.

**EF** **EXT - Mary Fertig** 21:30  
And and I'm and I'm on. Also, Mary Fertig.

**NL** **Nathalie Lynch-Walsh** 21:33  
Oh, OK. So Mary's joined Andrew.

 **Dave G. Rhodes** 21:33  
Very good.

**NL** **Nathalie Lynch-Walsh** 21:39  
Andy still getting used to that?

 **+19\*\*\*\*\*01** 21:40  
I'm here.

**NL** **Nathalie Lynch-Walsh** 21:41  
You'll always be Mr. Medvin to me.  
I don't know why.

 **+19\*\*\*\*\*01** 21:45  
OK.

**NL** **Nathalie Lynch-Walsh** 21:46  
I think you're Mr. Medvin. When I met you, whatever you were when I met you is generally how you stay. Which is why Robert Mayerson.

 **+19\*\*\*\*\*01** 21:52  
We you just want to make me feel older, is that it?

**NL** **Nathalie Lynch-Walsh** 21:55  
No, you were Mr. Medvin. Just like Robert Mayerson. Is Robert, like people call him Bob.  
Somebody called him Bobby.  
He was Robert when I met him. So he's Robert to me now, 1015 years later.

 **+19\*\*\*\*\*01** 22:06  
OK.

 **Nathalie Lynch-Walsh** 22:07  
So anyway, I have a hard time changing names once you get stuck in my head. One way. Sorry, it's me.  
It me, it's not you. OK, so everyone's here just on time. We got done talking about our follow up Atlantic W Audit and.

 **+19\*\*\*\*\*01** 22:17  
OK.

 **Nathalie Lynch-Walsh** 22:23  
Some discoveries.  
Like they don't reconcile inventory. Physical counts are not reconciled to the system at the time the physical inventory is taken, which as an accountant just destroys anything I was ever I ever thought I knew about inventories.  
So and don't get me started on why aren't is an inventory in Maximo and some of it's an SAP like that's a whole other hot mess.  
Oh, I think Ali put in the chat the audit that she was referring to.

 **Ali Arcese** 22:57  
Yeah, I just uploaded it.

 **Nathalie Lynch-Walsh** 22:57  
So the Florida administrative code, OK.  
Thanks. All right.  
So Next up, now that we got the gang all here, interim financial statements, projected fund balance, budget amendments and budget reports.  
What is required?  
I sent an e-mail I I cobbled.  
I did some research and we got back A1 paragraph response basically.  
That.  
So what I did in the e-mail.

Now is. I went back and looked at how we used to do Interim financial statements and let me see what I think. I have the e-mail.

Oh yeah, I've been having fun with open, with work orders as well.

No.

Just had it open.

Let me go find it. OK. Audit. Oh.

OK so.

Alright, that was that one.

Here we go so.

Did this whole long went through what was required because one of the concerns is there?

Are these the there is a requirement in 3510 that you do interim financial statements.

The state says that if you do interim financial statements, they have to be in the format prescribed by the board.

So.

So I threw all of that in there to make it very clear where I was pulling my thought process from.

And in 3510 and Florida statute 1011.051, they require, you know, this is the where the 3% comes from.

In 3510, you have to the following form is prescribed.

You have to.

They have to include the current projected percentage of the general Fund ending fund balance, not classified as restricted, committed or non spendable as it relates to total general fund revenues in Florida administrative code.

So all of that is there.

Because what we've been seeing, this is what we used to see. I went back to some really old ones.

Let's see.

These are, well, not that we were looking at interim financial statements, but.

In here, fund equity.

This was on the balance sheet. So you would have non spendable, restricted, committed, assigned, unassigned.

This did not change for probably 20 years. Until this year. The other thing that was in here.

At the end we had.

Percentage assigned, unassigned fund balance. So what we used to have. Comply. It was very easy to assess compliance with the policy and with state laws, and Florida and the Florida Board of Education rules all of this. That's how it used to be presented. It would even be compared from one year to the next. I remember when we first started tracking the fund balance, we were looking at the trend. So. That's that one. See do a fair and then up until this is from 2023. Again, you have the balance sheet fund equity. And then at the end. It's my understanding. I think they got rid of the charter school, the one that says excluding or one or the other. So I think we went down to just showing one. Oleg, since you were here, which? One did because I think there's just one percentage. If I go to some from 2024.

**OC** **Oleg Gorokhovsky, CPA** 27:10

Yeah. It was. It was the I can't remember which board member was a request from board to eliminate the one that. The total one, which is the first one because the one that stayed really striking is the one that excludes charter school revenue because it's a flow through revenue. So the the board asked to only indicate that percentage. The other one they seem to be thought it was irrelevant and I we agree with them and that was removed.

**NL** **Nathalie Lynch-Walsh** 27:41

OK.

**OC** **Oleg Gorokhovsky, CPA** 27:41

So the I I believe the I would say in 2022 and 2023, you're gonna find financial statements only indicating percentage that excludes charter schools.

**NL** **Nathalie Lynch-Walsh** 27:54

OK.

All right.

Thank you.

**OC** **Oleg Gorokhovsky, CPA** 27:57

No problem.

**NL** **Nathalie Lynch-Walsh** 27:58

All right, so going back to the get to the right one.

This thing drives me crazy.

I haven't quite figured out how I oh, you know what? Never mind.

To my other thingy.

Alright, let's go back to you.

OK.

So going back to the e-mail.

I know old e-mail.

OK, so having gone through all of that.

Why don't I hold on, I think.

Zing my mind here.

Keep pulling up this one, but I want the other one.

There we go. All right.

Oh, so went through all of that?

There were two questions essentially in here that if that's how we used to do it.

And what we're seeing now is totally different.

How are they in compliance?

And in the the old executive summaries.

Used to specifically call out, they were just accepting these.

These were the interim financial statements.

We'll be following statutory compliance if you vote yes, they'll be out of compliance.

If you vote no.

So in the new newer ones.

So this is the newer 1.

If you vote yes, the board will approve the budget reports, including information that

reflects revenues earned, funds expended for the period January 31st. If you vote no, they won't approve the budget reports.

And when these first came out, I think there were three to five months done all at once.

And then what we're getting instead?

And hence the question.

Yeah, the budget reports that I have. I have one open.

This one. So this is what we're getting now.

So there's the adopted budget.

The budget revised budget budget increase year to date. Actual year to date variance percentage of collected budget.

Now keep in mind the the prescribed format is in policy and the state says that whatever the board says is your prescribed format.

That's what you're supposed to submit as interim financial statements.

That doesn't preclude you from doing budget reports.

You could do that too in addition, but this has effectively taken the place of.

The interim financial statements.

I think so.

That page that we were looking at before that used to break down a sign unassigned has sort of turned into this it would seem.

And I want to say there might be a later one that has a percentage.

No, I don't think they are doing a percentage.

So we have actual fund balance, projected year end fund balance, which looks a lot like the previous year's fund balance, but I can't find any reference to assigned unassigned.

I don't know if any of you guys did, because if you don't see the breakdown, I don't know how you're in compliance.

So there are 20 pages here. Let's scroll.

**OC** **Oleg Gorokhovsky, CPA** 32:48

No, this Madam Chair, this is Oleg.

**NL** **Nathalie Lynch-Walsh** 32:51

Yes.

**OC** **Oleg Gorokhovsky, CPA** 32:52

No, I I've gone through the reports.

It doesn't have any breakdown of the fund balance between required categories.

And I just add today's generally as everybody knows the financial statements by definition itself, it's typically in a private company.

It's a balance sheet and income statement.

**NL** **Nathalie Lynch-Walsh** 33:10

Mm hmm.

**OC** **Oleg Gorokhovsky, CPA** 33:11

So I I just going by the basic definition, this is not the financial statements.

It is like it was stated budget report.

Which is based on actuals I I assume, and I think the one right and I think one of the responses that I've seen for CFO before is that the one balance reported here is not really a fund balance but rather.

**NL** **Nathalie Lynch-Walsh** 33:23

Budget to actual is what it looks like, yeah.

**OC** **Oleg Gorokhovsky, CPA** 33:38

Available cash balance.

**NL** **Nathalie Lynch-Walsh** 33:39

So yeah, let's go. So let's see.

The response?

So we had question. The question was if they don't follow this form in that they do not provide the current projected assigned unassigned ending fund balance as it related to the total general Fund revenues.

Please ask the Superintendent, Chief Financial Officer to explain one how they are in compliance with 6A Dash 1.008 of the Florida Administrative Code and two.

The method used to ensure compliance with school board policy 3510 and Florida statute 1011.051 as it relates to the 3% threshold requirements because I couldn't understand where if you're not monitoring.

What your fund, that portion and tracking what percent you're at?

I don't know how you would ever know that you dipped below 3% and then we've been seeing things like budget to actual where it's.

Was it October? November?

It had definitely dipped below.

I'm not quite sure, nor have we gotten, but this is the response we got to this entire dissertation.

This was the one paragraph response.

The Broward County School District is ensuring compliance with Rules 6A dash 1.008 of the Florida Administrative Code by following our original budget plan.

Not the question asked since the adopted budget remains unchanged.

The projections for the remaining fund balance remain consistent. The financial reports show that the district is operating.

Do they 'cause? We don't even have interim financial statements show that the district is operating within school board policy 3510 in Florida.

Statute of 10/11.

1051 meeting the 3% threshold requirements for the fiscal year 2425. We are pleased to report that we are meeting the compliance criteria.

We appreciate your support in maintaining these standards. Your cooperation helps us meet these important criteria.

Thank you for your attention to this matter.

People are using AI way too much these days, but that's the response we got.

The question was not answered, at least not.

Not the way. I mean, they didn't specifically address the concerns, which means you're not answering the question being asked.



**Dave G. Rhodes** 35:57

Madam Chair, I'm I'm just informing you. I saw Mr. Naylor's hand go up.



**Nathalie Lynch-Walsh** 35:58

Yes.

OK.

Lou.



**Lew Naylor** 36:05

Yeah, I had the the same concern.

My question is, is that on the the bottom of the report it shows the 8.8% for the general revenue or General fund?

Separate from the the other funds.

We had asked.

**NL** **Nathalie Lynch-Walsh** 36:25

You may know.

**LN** **Lew Naylor** 36:26

We had asked the last meeting or two meetings ago that they provide us as a breakdown of those.

Funds, specifically what you asked and we're not getting a response.

**NL** **Nathalie Lynch-Walsh** 36:38

Mm H.

**LN** **Lew Naylor** 36:42

Is that correct?

**NL** **Nathalie Lynch-Walsh** 36:43

To on the budget reports you were saying, the 8OK hold on. Let me go to the.

**LN** **Lew Naylor** 36:45

Yes.

'Cause on the first page. I think on the first page it's on the general fund only. It has a percentage of 8.8%.

**NL** **Nathalie Lynch-Walsh** 36:50

I mean.

Right. Percentage of fund balance.

**LN** **Lew Naylor** 37:01

So we were we were asking.

We were asking during that meeting.

How we could determine if we were meeting that and there was no response to that besides what you just shared with us.

**NL** **Nathalie Lynch-Walsh** 37:18

Correct. That was the response Mr. Rhodes received and he forwarded it to everybody.

It's attached to the agenda.

That's so I don't know that that response specifically.

Meant to address this particular issue, but since I think the questions are one in the same, to answer your question, that paragraph is essentially what we got as a response. I think after we had the initial discussion, I went and dug out all of the rules. Of engagement, and then even went and dug into the past. So it was clear what we used to get that.

**LN** **Lew Naylor** 37:50

Mm hmm.

**NL** **Nathalie Lynch-Walsh** 37:55

I think we could all see and understand versus what we're looking at and it isn't.

I think that people don't understand budget to actual, it's that they're trying to marry. What we're looking at now to how it addresses the requirements to have the fund balance broken into categories and the percentage to be reported and tracked.

Like this, 8.8% would not appear to. We're not.

I don't think we're comparing to apples.

I think this is a compat and what we used to get was an apple.

**LN** **Lew Naylor** 38:25

Correct.

So I guess my question would be, is there a supplemental statement that they provide to the board and the Superintendent beyond this?

**NL** **Nathalie Lynch-Walsh** 38:30

So.

Miss Arlotta, are you able to answer that 'cause? My understanding is this.

This is sort of what they've.  
Providing to the board and is there anything else?

**GA** **Gerrilyn Arlotta** 38:54

Unaware of this information, I'd be happy to get back to you on it from Miss Johnson.

**NL** **Nathalie Lynch-Walsh** 39:00

You're unaware of which information.

**GA** **Gerrilyn Arlotta** 39:03

The last question, if something additionally is being provided to the board, I'm unaware.

**NL** **Nathalie Lynch-Walsh** 39:08

OK. Because we can go right now and pull.  
Or I could if I could figure out how to do this.  
We can go see what was last provided to the school board.

**OC** **Oleg Gorokhovsky, CPA** 39:25

Madam Chair, can I ask one question before we continue?

**NL** **Nathalie Lynch-Walsh** 39:28

Sure.

**OC** **Oleg Gorokhovsky, CPA** 39:29

All right, Mr. Alotta, I have a question for you.  
This budget reports that presented to the board on a monthly basis are there generated by financial reporting department or generated by any other department?

**GA** **Gerrilyn Arlotta** 39:46

I'd be happy to get you back up. Back to you with a follow up because I have not been involved with this process.

**OC** **Oleg Gorokhovsky, CPA** 39:54

But, but you're you're right now in charge of accounting. I'm. I'm just asking question, are you aware whether it's coming from your department or is it coming from someone else?

**GA** **Gerrilyn Arlotta** 40:04

There's some information that's provided from financial reporting and financial reporting staff has worked with budget staff, but I have not been involved with this process. I have had priorities, other priorities to work on and I have not been working on this.

**OC** **Oleg Gorokhovsky, CPA** 40:08

OK.

OK.

All right.

**NL** **Nathalie Lynch-Walsh** 40:23

OK, which?

**OC** **Oleg Gorokhovsky, CPA** 40:23

Thank you.

**NL** **Nathalie Lynch-Walsh** 40:24

Thank you.

Which begs the question again.

Why does the person not responsible always be the one seem to be the one that's attending the meeting?

To answer your question, Mr. Naylor, the executive summary that was attached to the January budget report, has this to say.

That they were adopted.

Budget amendments are made as necessary. Have there been budget amendments brought to the board budget?

Amendments because I thought.

Miss Arlotta had budget.

I know you're not over budget, but a budget amendment's been brought to the board.

**GA** **Gerrilyn Arlotta** 41:07

I can't be 100% sure.

I don't believe, but don't hold me to that because like you said, I am not budget.

**NL** **Nathalie Lynch-Walsh** 41:11

Don't quote you.

**GA** **Gerrilyn Arlotta** 41:14

I really don't know for sure.

**NL** **Nathalie Lynch-Walsh** 41:15

OK.

OK.

I'm just trying to make the most of of you. You know, having to be on the call with us, OK.

Thank you.

So these budget reports and financial statements offer a snapshot of our school, the original approved budget compare amended budget to the actual financial activity, critical data, financial records.

Revenues and collections and expenditures to date so so no accrual.

OK.

All financial records are audited, and yeah, we know that.

When required, these reports to the board include budget amendments.

The reallocation of adjustments, OK.

So I think we're still at the 8.8 question from Mr. Naylor.

Have budget amendments been brought to the school board?

Is another question.

**LN** **Lew Naylor** 42:06

Well, doesn't look like it. If you look at the adopted budget for 20 September of 2024 and the revised budget.

**NL** **Nathalie Lynch-Walsh** 42:07

Because.

Right. It looks like the same number.

**LN** **Lew Naylor** 42:16

The same numbers, so it doesn't look like any amendments.

**NL** **Nathalie Lynch-Walsh** 42:18

Yeah, right.

And I think it even says that somewhere.

Go back to F.

So we're actually in the board meeting document.



**Dave G. Rhodes** 42:30

And Madam Chair, just for your information, Mr. Demaio has his hand up as well. When you get to a point where you're done with Mr. Naylor's questions.

**NL** **Nathalie Lynch-Walsh** 42:40

OK.

Yeah. So Lew was saying, let's see General fund.

Yeah, the numbers have not changed.

The only thing the only difference is what actuals. But yeah, adopted budget, revised budget numbers all the same.

Which then begs the right so no budget amendments, Mr. Demaio.

**AM** **Anthony De Meo** 43:02

Thanks.

**NL** **Nathalie Lynch-Walsh** 43:04

Sorry.

**AM** **Anthony De Meo** 43:05

So that page that you're on that shows the 8.8%.

**NL** **Nathalie Lynch-Walsh** 43:09

Uh huh.

**AM Anthony De Meo** 43:11  
That 185 million that's used as the.  
Part of the equation.  
That includes what?  
That includes all of the fund balance.

**NL Nathalie Lynch-Walsh** 43:27  
That looks to be.  
Beginning fund balance 185.  
M's arlotta.  
Are you able to answer that question?

**GA Gerrilyn Arlotta** 43:40  
Again, I am not.  
I have not been part of this.

**NL Nathalie Lynch-Walsh** 43:45  
OK.

**AM Anthony De Meo** 43:46  
OK.  
So the 8.8% includes obviously includes more than the fund balance, which is used to  
compute the 3%, right?  
And that would be which?  
Which funds does anybody, Mr. Oleg, do you?  
What's the 3%?  
The is it the?  
You know there's four.

**OC Oleg Gorokhovsky, CPA** 44:16  
It's the general fund. Umm General Fund, also in the school board, includes  
referendum funds as well.

**AM Anthony De Meo** 44:24

But the the four categories.  
Required by GAAP.  
And and for which the 3% applies.

**OC** **Oleg Gorokhovsky, CPA** 44:33

Oh, I see your question.  
I'm sorry. It's a sign in a sign which is by looking at right by looking at this, it's very hard determine how much of that is part of the \$185 million.

**AM** **Anthony De Meo** 44:35

OK.  
Assigned and unassigned.

**NL** **Nathalie Lynch-Walsh** 44:38

And unassigned.

**AM** **Anthony De Meo** 44:40

So this includes.  
So the 185 is made-up of assigned and unassigned.

**OC** **Oleg Gorokhovsky, CPA** 44:47

Well, it's impossible.  
Right, because those are.

**AM** **Anthony De Meo** 44:53

And the three?

**NL** **Nathalie Lynch-Walsh** 44:53

OK.

**OC** **Oleg Gorokhovsky, CPA** 44:54

Those are only uncommitted fund balance available to the board to make a decision on the rest of the money is either categorical or committed or non spendable, which is inventory. So the board can now make decision on that.

**AM Anthony De Meo** 45:08

So the 3%, I'm sorry, the 3% uses the assigned, right?

**OC Oleg Gorokhovsky, CPA** 45:10

Yeah.

Assign and unassign.

**AM Anthony De Meo** 45:16

Assigned and unassigned, and what else would be in there besides assigned and unassigned?

**OC Oleg Gorokhovsky, CPA** 45:18

Yes.

That's it.

**NL Nathalie Lynch-Walsh** 45:26

But we don't know if this 185 is assigned and unassigned because it's not.

**OC Oleg Gorokhovsky, CPA** 45:27

Yeah.

**NL Nathalie Lynch-Walsh** 45:33

It doesn't go into detail.

**OC Oleg Gorokhovsky, CPA** 45:35

First of all, it's it's under adapted budget.

So that's the budget budgeted fund balance expected for the year end that was approved I assume on September 10th.

So.

Part of it has to be assigned and assigned.

It should be part of this \$185 million.

We don't know how much it is unless we go back to the September 10th approved budget and and determine from that point on.

The concern that we have here.

Is it's hard to believe that district this size at the end of March does not even does not have any changes to the budget whatsoever from the beginning of the year. We just recently saw the board approving salary increases.  
That that.

**NL** **Nathalie Lynch-Walsh** 46:23

Well, they don't have any changes because in the executive summary it says that it's just what's it?

**AM** **Anthony De Meo** 46:23

But.

**NL** **Nathalie Lynch-Walsh** 46:30

It's cash based.

**AM** **Anthony De Meo** 46:33

Yeah, yeah, but can I get back to the monitoring if the school board?

**NL** **Nathalie Lynch-Walsh** 46:33

It would seem.

Yeah.

**AM** **Anthony De Meo** 46:39

'S Finance Financial department, headed by the CFO, I presume.

Believes that the 8.8%.

Is exceeds the statutory requirement of 3%.

And they extrapolate that forward to the year to date actuals and that 8.8%.

That is, equal is 8 is the same or greater than they are.

Indeed, it appears that one could monitor it from this.

I don't know enough about.

How?

That 185 million, if that ties back to the audited fund balance at June, June 30th or not at presumably it does.

At January.

31st, 2025, I think the audit was complete by that time.

I don't know, but if the 185, the beginning fund balance.  
Is the audited balance and we have.  
A balance budget, then the estimated fund balance for the year would be 185.  
Then you roll that forward to the year to date actuals and columns D&E.  
And if that's still holding?  
You we're indeed monitoring it.  
Or one could reasonably.  
Deduce that the financial department is monitoring it and would have concerns if it  
dropped below 3% or even dropped below 8%.  
I I think the issue here is is.  
That and and the the. I believe that requirement that 3%.  
Statutory requirement is at one point in the year and that's at the end of the year.

**NL** **Nathalie Lynch-Walsh** 48:38  
No. Any point in the year actually.

**AM** **Anthony De Meo** 48:40  
So I I don't think.  
I'm not sure about that.

**NL** **Nathalie Lynch-Walsh** 48:42  
Yeah, well, that's why. That's why this person here goes and gets the actual  
document.

**AM** **Anthony De Meo** 48:44  
Yeah.

**NL** **Nathalie Lynch-Walsh** 48:49  
So, hang on, hang on one second.

**AM** **Anthony De Meo** 48:49  
Do we?  
Do we have the do we?

**LN** **Lew Naylor** 48:52

I agree with Mr. Demaio on that, though, but the the way the policy's written it, it does say at any point during the year.

**AM Anthony De Meo** 48:59

Oh, OK.

That's that's important.

**NL Nathalie Lynch-Walsh** 49:02

Right then you're agreeing with me at any point during the year is different from the.

**LN Lew Naylor** 49:05

I'm agreeing with both of you.

**NL Nathalie Lynch-Walsh** 49:09

That's so diplomatic. But no what I'm saying.

**AM Anthony De Meo** 49:10

Little what I've made it. I've made a lifetime of being wrong going.

**LN Lew Naylor** 49:11

Thank you.

**NL Nathalie Lynch-Walsh** 49:11

Hold on. Let me go to the agenda.

Hegart woods.

**AM Anthony De Meo** 49:21

It's like if I bet 300, I'm happy.

**NL Nathalie Lynch-Walsh** 49:25

Let me see where I left off here.

OK.

So back to the there's a reason I always come armed with receipts.

If at any time, the portion of the General Fund's ending fund balance not classified as restricted, committed, or non spendable in the district's approved operating budget,

is projected to fall below 3% of the projected general fund revenues during the current fiscal year, the Superintendent shall.

Provide written notification to the district.

School board and the Commissioner of Education, if at any time.

So the problem is that we have a room full of accountants that can't follow.

I understand conceptually what you're saying, but if everything you're doing is above board and is in compliance, it should be very easy to send us a calculation that shows.

How this is in compliance?

**AM** Anthony De Meo 50:23

Well, well, I think.

**NL** Nathalie Lynch-Walsh 50:24

By and remember, they're required to show the categories.

Let's not forget that part this.

**AM** Anthony De Meo 50:30

Yeah, I agree.

I agree with you. I what I'm saying is is I think.

**NL** Nathalie Lynch-Walsh 50:32

Is.

Numerically.

**AM** Anthony De Meo 50:36

I think they they are monitoring it.

We just don't know how they're monitoring it. And yes, I think it we should get that information. But if we go back to that 8.8%, is this a report that is done periodically, monthly, quarterly.

**NL** Nathalie Lynch-Walsh 50:54

Monthly it used to be we used to have interim financial statements and the breakdown was required by policy and the state law says that whatever's in your policy is what you need to comply with.

**AM Anthony De Meo** 50:59

Mm hmm.

**NL Nathalie Lynch-Walsh** 51:08

We now are getting this.

We didn't have any of these for months on end and then all of a sudden we got like 5 all at once and now they're appearing monthly, yes.

**AM Anthony De Meo** 51:15

OK.

So if they appear monthly, then indeed one could monitor the 8.8% and I can't understand what would be in there that we would need to know, although it would be. I think it should be broken down.

But what?

What component of that 8.8% or that 185 million would not be?

Includable, for purposes of computing the 3%.

But if everything in that 185 is used to compute the 8.8%, I don't know how you can monitor any closer.

**NL Nathalie Lynch-Walsh** 51:55

I don't know how you get to 8.8% when let you ended last year.

Recording a liability in your government wide financials that you then paid for with money.

I don't know where you got that with money that I'm not even sure. We just maybe we just collected and then we just we we keep pilfering from the capital budget to pay for things like bus drivers was the most recent one. So I'm not sure how a District.

That was headed towards for, I think was headed to 4%. All of a sudden is now at 8.8 using the same using the same concepts and the same rules being applied supposedly the same way.

I don't know how we can almost double the same fund balance assigned on assigned.

In just a few months, I I'm not.

And if you can show it to me, 'cause, I'm highly. I'm even more skeptical than you,

Mr. Demayo. I trust no one.

That was beaten into my head as a student and just by nature, if you can't show me how you're getting your number, I don't trust it.

It's just that simple.

So all they'd have to do if you could show me how you got a number we can move on, Madam Chair.

**AM Anthony De Meo** 53:12

But this this is the budget that was approved and I don't know how we could dispute any if you could go back to the Minutes and find this budget then.

The the first column you have to accept. OK, now that 185, I would like to see that.

**NL Nathalie Lynch-Walsh** 53:26

Mm hmm.

I do.

**AM Anthony De Meo** 53:34

I'd like to compare that you're. I think that's a good point compared to the June 30th most recent fiscal year audit.

**NL Nathalie Lynch-Walsh** 53:34

Broken down.

**AM Anthony De Meo** 53:42

That would be interesting, but I I'm not so suspicious of our financial department that I.

**NL Nathalie Lynch-Walsh** 53:43

No.

**AM Anthony De Meo** 53:50

Find that anything they do not credible.

I do believe we should audit.

I know that Mister Rhodes.

Focuses mostly on operational and other statutory audits that are required, but

perhaps you know.

I don't know if.

As time you know, we could direct him in some way to be looking at this computation for us and reporting to us in the board.

I'll shut up now.

**NL** **Nathalie Lynch-Walsh** 54:23

OK, I think was Lou. Did I hear you in the background? I heard somebody.



**Dave G. Rhodes** 54:27

His hand is up.

**LN** **Lew Naylor** 54:29

Yeah, I just have a a question column D then which should show year to date activity.

**NL** **Nathalie Lynch-Walsh** 54:29

OK.

Uh huh.

**LN** **Lew Naylor** 54:37

Does that mean we have a 27.15%?

Percentage of fund balance over revenue.

**NL** **Nathalie Lynch-Walsh** 54:50

Are you doing the calculation yourself?

**LN** **Lew Naylor** 54:52

Yeah.

**NL** **Nathalie Lynch-Walsh** 54:54

OK.

So you're looking at.

**LN** **Lew Naylor** 54:55

I mean I'm. I'm assuming that that's the calculation.

**NL** **Nathalie Lynch-Walsh** 55:00  
Percentage.

**LN** **Lew Naylor** 55:00  
Because you saw that there's an increase in available in net revenue over expenditures of 293, which increase the estimated ending fund balance.

**NL** **Nathalie Lynch-Walsh** 55:10  
Mm hmm.  
I think that's what they're we've seen huge fluctuations when those monthly budget reports started coming out.

**AM** **Anthony De Meo** 55:20  
That doesn't mean much, because look at the expenditures are 69% and the revenue is at 83%.

**NL** **Nathalie Lynch-Walsh** 55:22  
You you know.

**AM** **Anthony De Meo** 55:27  
So right there, you gotta take 14% right off of that right off of that.

**LN** **Lew Naylor** 55:27  
Kur.  
Correct.

**NL** **Nathalie Lynch-Walsh** 55:31  
Percentage collected.  
Yeah, but they've collected 69%. There's all year variance reports budget.

**LN** **Lew Naylor** 55:34  
But.  
Right. That's that's the variance.  
But the question is what's in that?

What's in those numbers?

I guess that is the goes back to the original question.

**NL** **Nathalie Lynch-Walsh** 55:46

Question. So what's?

**AM** **Anthony De Meo** 55:47

I think it's a timing difference, Lou, that that 20 something percent doesn't hold. It's just the timing of the expenditures.

**LN** **Lew Naylor** 55:53

No, no, no.

I correct and I agree with you on that, but I'm just trying to once again go back to understanding where the 8.8 came from.

**NL** **Nathalie Lynch-Walsh** 56:02

So yeah. Oh, I have that as one.

Well, that's question #1.

Explain the 8.8 were there any budget amendments brought to the board?

Breakdown the 185,000,000 and compare it to the June 30th audited financials so that we can kind of understand what we're looking at because there's been no real explanation. This new format got brought to the board and it was sort of.

Couched as you know it's actual.

Schools and I go well, that's great. If we see budget to actual, but what about, you know, where are we with these interim financial statements? Because these are not this is budget to actual.

There's no interim financial statements, so it's all cash based. And again, none of this is what's required in policy. Now if the board wants to change its policy in terms of what's required, that would be one thing.

But where you get me on process is if you have.

Policy. If you don't like your policy, this is a school board.

You can always change it and then we'll have a new set of guiding rules to follow.

But where you get me is if you have a rule and you don't follow it, and then you sit here and waste all of our time telling us that you're in compliance when you're not. If you want the board to change the policy, just bring them a new.

Recommended policy language.

We'll object if we have objections and it will move on, but this is not in compliance with policy.

Which puts them out of compliance with state law because nowhere in this document does it break anything down by assigned unassigned.

You don't know what's committed.

You don't know.

You don't know any of the categories that they used to report when they were doing interim financial statements.

So, as fascinating as this is, and yes, in theory it could very well be monitoring something.

But we don't know exactly what it's monitoring.

It doesn't follow the prescribed format and there's no getting around that.

So to give us this one, one paragraph explanation that they're following it is simply not not true.

And I like I said simple solution.

Recommend the board change its its policy 3510 and then the new prescribed format will be these budget reports. Unless there's some reason that they don't want to do that. And I think the reason might be Florida statute 1011.051.

Because that that.

That's where you get to the 3% of assigned, you know unassigned.

So.

They they have.

They can't just give us this, so we now have follow up question follow up questions.

I have four of them so far.

And then there were earlier responses that were made.

Let's see.

This was from.

213 where I think this was the one where Oleg.

Submitted questions and then we have a whole other set of responses.

And.

I have not had time to go back and check the responses.

I think these were the questions.

See if there's the response.

There's one that had the responses with it.

Here we go.

These were the so now based on everything we just saw recently, these are the responses we got back in February.

Are these budget reports replacing what used to be the interim financial statements and budget amendments? Why change?

Not based on month end.

Status of the budget.

Consolidated.

These were costs for all these different things.

A report with functions containing those elements is being prepared and will be part of this item going forward.

This talks about health insurance.

OK, so please provide each month's amounts for the each of the fund balance categories.

Non spendable, restricted, committed, assigned unassigned specifically pertain assigned unassigned. How does the district comply with the state required?

3% the state requires we know that provides a projection, are not the ending fund balance and does not apply.

Oh, the month to month actuals are not the ending fund balance does does not apply to the state requirement.

In the future, the district will provide restricted unrestricted fund balance details when the projected ending fund balance changes.

However, there have been no changes to the budget or projected ending fund balance since it was adopted.

In September 2024.

I think this goes back to Oleg's point earlier, if we know that they're that they're making deals, how does your how is nothing changing?

**OC** **Oleg Gorokhovsky, CPA** 1:01:16

The basic one that you mentioned, Madam Chair, is the transferring funds from capital into general fund for bus driver salaries.

That is definitely a budget amendment.

**NL** **Nathalie Lynch-Walsh** 1:01:30

But have we seen a budget amendment?

**OC** **Oleg Gorokhovsky, CPA** 1:01:33

No.

Well, according to this correspondence you just read earlier.

It says that there is no budget amendments or no financial statements.

It's not budget reports.

**NL** **Nathalie Lynch-Walsh** 1:01:50

I guess, yeah.

So we have our four follow up questions.

To this we have the previous answers and this can kind of all get codified.

So that was that whole discussion.

Do we have any other follow up questions or are we good on our follow-ups and I added pardon?

**LN** **Lew Naylor** 1:02:09

Ah.

**AM** **Anthony De Meo** 1:02:09

Can we?

Can we just add?

**LN** **Lew Naylor** 1:02:11

Madam Chair.

Whoops.

**NL** **Nathalie Lynch-Walsh** 1:02:13

Oh, Mr. Demale, then, Mr. Naylor.

**AM** **Anthony De Meo** 1:02:17

Can can we just request that at the bottom?

I'm gonna tell you the truth.

I've been on boards, commercial boards, public companies, my own board.

You don't give the board more than they can handle, OK? And then they ask questions. I think that that one page is standard, if not that, that's good.

But I do agree that the components.

And the relative.

The related percentages should be shown below and then I I don't think you could ask for much more for us here for us to sit here and question whether or not an amendment has been made to the budget is beyond the scope of this. You know I.

Mean that's a legal question. If the board didn't made an amendment and they didn't follow the rules. I mean, I don't how we would know that.

But that's my two cents.

 **Nathalie Lynch-Walsh** 1:03:15

Well, I go off.

I'm about to pull our bylaws.

Where if they change the way they do.

Financial statements that is under our purview.

It's not something we did most of the time I was on this committee, but it's something that started to come up.

I think we've been looking at this, what now a year or more just over a year.

So our yeah, we're the audit committee.

 **Dave G. Rhodes** 1:03:43

Madam.

 **Nathalie Lynch-Walsh** 1:03:45

Yes, Lou.

 **Dave G. Rhodes** 1:03:46

While you're looking up that, I just wanted to make sure you knew that Mary has her hand up and I think for a moment Lou had his hand up but withdrew it.

 **Nathalie Lynch-Walsh** 1:03:49

Oh, I thought it was blue.

He did.



**Dave G. Rhodes** 1:03:54

But he still may have a question.



**Nathalie Lynch-Walsh** 1:03:55

Oh, OK, Lou. And then Mary.



**Lew Naylor** 1:03:58

Yeah, my question is who is the CFO when the the new reporting practice began?



**Nathalie Lynch-Walsh** 1:04:07

The current CFO, Romanier Johnson.



**Lew Naylor** 1:04:11

She was the for the approved budget or.

The the was she the CFO at the beginning of the budget year.



**Oleg Gorokhovsky, CPA** 1:04:21

If I may clarify, I don't believe that she was not there on September 10th.



**Lew Naylor** 1:04:21

She came later.

Correct.



**Oleg Gorokhovsky, CPA** 1:04:27

Right. She was not there in adapted budget time.



**Lew Naylor** 1:04:30

Right. Thank you.



**Nathalie Lynch-Walsh** 1:04:31

And we have, right, we had no interim financial statements for a few months, I think because of when she started and then we had.

Who?

Acting.

**OC** **Oleg Gorokhovsky, CPA** 1:04:47  
Omar Sheen was interim.

**NL** **Nathalie Lynch-Walsh** 1:04:49  
Oh, OK.  
All right.  
And that was Lou's question, and then Mary.

**EF** **EXT - Mary Fertig** 1:04:56  
Yeah, I you, you.  
I don't know.  
Maybe 10-15 minutes ago you said that they're not in compliance with the policy and they should change the policy if this is what they want to do.  
So maybe that's what the ultimate recommendation is that they change their policy.

**NL** **Nathalie Lynch-Walsh** 1:05:11  
I'm not making. Yeah, I'm not gonna make that recommendation.

**EF** **EXT - Mary Fertig** 1:05:12  
To.

**NL** **Nathalie Lynch-Walsh** 1:05:14  
This is sort of like it's, yeah.

**EF** **EXT - Mary Fertig** 1:05:14  
I if I could just if I could just finish. If this is the way they want to do it, then you know, just change their policy to comply with that. I I.  
I'm kind of with Mr. de Meo.  
I I think there's a limit to what we can do here as an audit committee, but we can be making recommendations that will ensure that they're in compliance with what they're required to do.

**NL** **Nathalie Lynch-Walsh** 1:05:40  
Yeah, that was one of my tongue in cheek statements because I think there's a

reason they haven't brought a recommended policy change that would cover them to the board. And I think it's because it would put them out of compliance with the state law.

**EF** **EXT - Mary Fertig** 1:05:55

And and and we would find and then if they we make the recommendation and they bring that forward, I'm assuming the attorneys would point that out.

**NL** **Nathalie Lynch-Walsh** 1:05:56

With 1011.

I assume nothing in this district.

**EF** **EXT - Mary Fertig** 1:06:05

Well, you can assume nothing.

**NL** **Nathalie Lynch-Walsh** 1:06:07

I.

**EF** **EXT - Mary Fertig** 1:06:07

I'm. I'm just gonna say that's one way to get the information out.

**NL** **Nathalie Lynch-Walsh** 1:06:12

So in our bylaws review and evaluate the format of financial reports and make recommendations for changes that will enhance the effectiveness of financial reporting.

That's in our bylaws.

So we are in our lane.

We are just trying to even gain an understanding of what the format is, but that's in there. And yes, we can certainly where was it. Review policies and procedures which we're about to do next.

As far as audit goes.

Affecting the financial areas and make recommendations, we did make a ton of recommendations regarding the fund balance policy.

Some of which they did not adopt, but they did adopt some key ones, which kept in the statutory requirements.

Like I said, I think there's a reason they haven't made that recommendation brought a proposed policy change to the board, I think. They're just preferring to not comply or sidestep it.



**Dave G. Rhodes** 1:07:11

And, Madam Chair, Mr. Gorokhovsky's hand is up in the event that it's something. Jermaine, to what you're talking about now.



**Nathalie Lynch-Walsh** 1:07:11

So yes.

OK.

Yes, Mr. gorokhovsky.



**Oleg Gorokhovsky, CPA** 1:07:20

So I I agree.

I mean there there are limitations as to how far I agree with my colleague how far the audit committee can go as to requesting data.

However, I would say that we need to be cautious because if indeed let's say come July, September this year and the fund balance does tank, I hope it doesn't.

But if it does, then the questions will be aware where the the audit committee at the point, what questions were raised and where were we and and questioning.

I still, as far as fund balance status, because that's always there and if we if.

In my opinion, we're the kind of the last group with financial expertise left at this point to question it, so I'm just concerned if we not get an information that the public does not get information regarding what the current status of fund balance is. And I don't mean.

How was it adopted back in September 10?

How was the cash fluctuates at this point?

I'm talking about.

Including the projected charter school payment settlement, including the salary increases including upcoming SRO contracts, benefit increases, all that needs to be building and the expectation with fund balance will be I think we need to be cautious still.

How far we question because we do want to make sure the fund balance is healthy of this district come the end of the year.

And what I've seen so far, I don't think we can make that judgment at this point. There's just nothing provided to us to do that. So I that that's all I was gonna say.

**NL** **Nathalie Lynch-Walsh** 1:08:54

OK.

Well, I think these questions show that reflect us, us doing our due diligence with these follow up questions and the response or lack of response often tells more of a story than the lack of response.

Probably intense, intense. When they don't respond. Like I said, for me personally, if you can show me how you got a number and I can recalculate it.

I'm good, but if you keep sidestepping the question and can't explain, we're not the school board.

Board, where the audit committee and if you, if you can satisfy the audit committee's curiosity, it's it's one thing to not set the board isn't curious.

We should be have been and, and our curiosity has not been satisfied. So on that note, let's move on to policy review recommendations, because we got 28 minutes.

So these were the three we went through with Coward and Coward, and then the chief auditor's staff pulled these additional ones.

And we got everybody on the prior conversation, right, Mr. Rhodes?

There are no hands up.

Because I can't see.

 **Dave G. Rhodes** 1:10:04

Can you repeat that last part?

**NL** **Nathalie Lynch-Walsh** 1:10:05

No, I'm just making sure there's no hands up on the prior item as I'm moving on.

 **Dave G. Rhodes** 1:10:12

No, there there. There are no hands up at the moment.

**NL** **Nathalie Lynch-Walsh** 1:10:12

I think I got everybody OK all right.

So we have annual financial audit coordination of examination by outside audit

groups and then follow up on audit recommendations.

For me personally, my comments are mainly around C.

So does anyone have any additional feedback? I'm going to pull up? Actually I think I have hard copies that I saved, so if we have any additional feedback we want to type in here and then Mr. Rhodes, if you guys have anything.

That.



**Dave G. Rhodes** 1:10:47

I just have a couple comments about looking for information from our peers in the state.

There was not a lot of information.

We've highlighted the areas that we think are relevant for these policies and one of the things that I've noticed from some of our peer groups is that the language seems to be a little more concise and a little bit more clear and that might be one of the.

Things that at least as a as an observation of mine that I would think about.

In terms of providing any input back to the coward and coward folks.



**Nathalie Lynch-Walsh** 1:11:20

OK.

'Cause, they've been looking at policies for compliance with, you know, with the with state statutes as opposed to.

In as opposed to them rewriting the policies all together.

So I don't think I had much, if anything in here when we looked at this the first time.

This was pretty straightforward.

It's a one page policy.

Was there anything, Mr. Rhodes, that you?

Guys wanted to add to this.

From any of the other districts? Or is this not one of them?



**Dave G. Rhodes** 1:12:02

One of the things that they do say end of the year, but one of the things that I see pretty consistently in the other peer groups language for their policies is that they specify state auditor's office annually.

I'm sorry. Let me go back to the beginning of the sentence.

Florida statute requires the audit of all accountant of all accounts of the district be

conducted by an independent certified public accountant or the state auditor's office annually.

After the closeout of fiscal year and they I'm looking at 6830 from Hillsboro, that was in that table and my my whole point is that they just seem to consistently also include a parenthetical of the date of June 30th. And I I just didn't know why.

 **Nathalie Lynch-Walsh** 1:12:34

Which one are you reading?

OK.

Hold on once. Yeah, hang on.



**Dave G. Rhodes** 1:12:51

We didn't do that and it's not a big deal, but it's something that is more consistent across the other areas that we're looking at.

 **Nathalie Lynch-Walsh** 1:13:00

OK, you said that it hold on.

Umm.

Oh, it's not the world's longest policy.

See.



**Dave G. Rhodes** 1:13:15

And Lou has his hand up as well.

 **Nathalie Lynch-Walsh** 1:13:17

OK, Mr. Naylor.

Yes, Mr. Naylor. Lou.

 **Lew Naylor** 1:13:26

Oh, sorry about that.

My question on 3100 is we have a much more.

Extensive policy with rules and there's no definition or or time frame in there when.

The Select Committee selection committee must be identified. I don't believe.

 **Nathalie Lynch-Walsh** 1:13:51

Oh yeah, 'cause.

Let's see. She'll serve at the discretion, yada yada.

And then to Mr. Rhodes's point, it's well hold on CPA.

Well, there's a June 30th requires an audit by June 30th.

**LN** **Lew Naylor** 1:14:10

Right, but there's.

**NL** **Nathalie Lynch-Walsh** 1:14:11

It doesn't say yeah, and ours doesn't say when. It says shall be established for the purpose of engaging. Must consist of a minimum of three.

**LN** **Lew Naylor** 1:14:23

Right. What I my only suggestion is would it be beneficial to have a time frame in there so that we know people know when things need to be done.

That's all.

**NL** **Nathalie Lynch-Walsh** 1:14:34

Right 'cause, it says down here that for no more than five consecutive years, unless approved by the selection committee and the school board.

Conclusion.



**Dave G. Rhodes** 1:14:43

And and to that point, we are in the final year of our external audit firms contract.

**NL** **Nathalie Lynch-Walsh** 1:14:50

OK, but to, to Lou's point, should we say that this that you would have the committee convened every because it says they would serve no more than five years?

Are we good with five years, or do you wait? And I swear we had this discussion before where if you wait until year five, you've waited too long.

Or should we be selecting an auditor selection committee now?

Because we're in, you know, in year 4.

Or Even so that you have one in place by the time you need to do the solicitation. I think that was one reason we got rid of the IT says the independent audit firm selected by the school board shall serve at the discretion of the school board for.

No more than five consecutive years, unless approved by the auditor selection committee and the school board.

So when you say we're in the last year, Mr. Rhodes, when does the contract expire?



**Dave G. Rhodes** 1:15:47

Ali has that information and Ali also, if you can provide any information on any communication that we've shared with procurement, I'd appreciate that.



**Ali Arcese** 1:15:55

Can you repeat that one more time? What was the question?



**NL Nathalie Lynch-Walsh** 1:15:58

So when does the contract expire?

If we're in the last year.



**Ali Arcese** 1:16:04

November of this 2025.



**NL Nathalie Lynch-Walsh** 1:16:09

OK, so seeing as a solicitation takes on average three months.

It would seem to Mr. Naylor's point that we need to put in some kind of timeline when you're in the last year.

Because we we're past it practically, we're in March.



**Ali Arcese** 1:16:31

So we have one additional year extension which we have requested.

We did the one we did.

We exercised our one first year extension this past year, which expires in November.

Now we have reached out to procurement to extend it the last the second year, which will expire.



**NL Nathalie Lynch-Walsh** 1:16:53

OK.

Hold hold up. Hang on.



**Ali Arcese** 1:16:56

In.



**Nathalie Lynch-Walsh** 1:16:57

So wait, when you say you've extended it past what .5 you year in year?



**Ali Arcese** 1:17:02

So we we issue a contract for three years with the option of two one year extensions.



**Nathalie Lynch-Walsh** 1:17:06

OK.

OK.

So. So we're still getting to the fifth year.



**Ali Arcese** 1:17:15

Yeah. So right now the current what we have currently approved by the board, it expires this November. We've already reached out to procurement to extend for an additional year.



**Dave G. Rhodes** 1:17:15

We.



**Ali Arcese** 1:17:28

That is in the works we also.



**Nathalie Lynch-Walsh** 1:17:30

And.

So that would take us to Year 5.

So then what you're saying is that for the next school year, because what you can't do is get past the five without the auditor selection committee and the school board approving it?



**Ali Arcese** 1:17:35

Correct.

Correct, correct.

So we also have to start the process of a new contract.

 **Nathalie Lynch-Walsh** 1:17:48  
OK.

 **Ali Arcese** 1:17:53  
Probably this within the next few months start working on the RFP.  
Start looking at what language needs to be adjusted or changed.  
Review what's out there, so we will need to start that process, which we were considering doing that over the summer.

 **Dave G. Rhodes** 1:18:12  
And and if I might.

 **Ali Arcese** 1:18:12  
And we also need to consider the date ranges because of the way that it was written before and the end date, we need to also have that discussion as well because it's kind of awkward having the contract end in November when in November.  
Yes, technically there's, you know, historically has been.  
We've been provided the the ACK for by that date, however.  
This year we didn't get the ACK for until.  
December of 2025, which would have put us in a predicament had we not had the additional extension.  
So we do need to consider the date range as well.

 **Dave G. Rhodes** 1:18:54  
And if I can add to that.  
In addition to notifying you that Mary Fertig has her hand up, I also wanted to say when you mentioned three months for an RFP, I just want to remind everyone that we began the.  
RFP process for our External Group of Auditors.  
To assist this office in October of 23 and the contract was still not approved by the board until November of 24.  
So we might want to take a look at the fact that there's a little less.

There's either a little less efficiency or there's a little bit more demand on the procurement group.

Now that is extending that typical expectation for how long an RFP would be turned around into a contract.

**NL** **Nathalie Lynch-Walsh** 1:19:42

In theory, well, I'm going off three months being on average.

Nine months. Me being? Yeah, not acceptable. All right.

So so if everyone's listening so that I added in the timeline because that would seem to solve multiple issues.

Any other?

Oh, you said Mary had her hand up Mary.

Hello.

**EF** **EXT - Mary Fertig** 1:20:09

Sorry.

I was talking, but not you.

Couldn't hear me, I thought.

Natalie, I think you have a good point that we should just start this process and I think it might be helpful if we had a list of the external auditors by year for the last, say, 10 years, because sounds like we're in the middle of a couple of.

Cycles here.

Just kind of to see.

What the contracts have been, who's been renewed, who hasn't?

I know this was an issue.

Several years I'm going to say at least five years.

Years ago, when we had recommended RSM be retained so and they weren't, but at one start the process 2.

I'd like to see a list of of the auditors for the last.

10 years.

**NL** **Nathalie Lynch-Walsh** 1:20:53

5010, OK.

**EF** **EXT - Mary Fertig** 1:20:55  
Well, yeah, I would, because I attend on our on our auditors.

**NL** **Nathalie Lynch-Walsh** 1:20:58  
Get a couple cycles. Yeah. OK. Anywhere. OK. List of external.

**EF** **EXT - Mary Fertig** 1:21:00  
Yeah, get a couple cycles in there. Thank you.

 **Dave G. Rhodes** 1:21:04  
And Mr. Mayorson has it's hand up as well.

**NL** **Nathalie Lynch-Walsh** 1:21:07  
OK, start process.  
This year, Robert.

**RM** **Robert Mayersohn** 1:21:14  
Tallahassee, Bob.

**NL** **Nathalie Lynch-Walsh** 1:21:16  
Tallahassee, Bob.

**RM** **Robert Mayersohn** 1:21:17  
So if you look at Florida Statute 218.391, which is the auditor selection procedures. The audit Selection Committee makes a lot of those decisions, whether or not obviously, to retain an auditor, I would imagine pass, you know, the five year deadline.  
'Cause it says this is number 3A establishes factors to use for the evaluation of audit services.  
Divided by certified public accounting firm DELE, License under chapter blah blah blah. In accordance with government auditing standards.  
So it basically says publicly announced proposal for request.  
So these are all things that the audit selection committee does not necessarily. It could be in line with procurement.

But, but I would imagine that and I agree with you, Madam Chair, that we need to select an audit.

Selection.

Committee. You know, sometime soon and they. And if we're going to extend it into year five or year six or whatever, maybe that should be the recommendation of the audit selection committee to the board.

**NL** **Nathalie Lynch-Walsh** 1:22:20  
Now. Yeah, almost.

**+19\*\*\*\*\*01** 1:22:29  
Hey Cortana.  
And get it to work. So I'm home.

**NL** **Nathalie Lynch-Walsh** 1:22:34  
So we need the current RFP so that we know what what was used last time because I I I don't know that I was on the selection committee last time. So I'm not sure.

**+19\*\*\*\*\*01** 1:22:44  
I lost the machine.  
Repeat.

**NL** **Nathalie Lynch-Walsh** 1:22:50  
What was used and how much involvement that committee had in it, because it's been a few.

**RM** **Robert Mayersohn** 1:22:54  
Supposed to review all the Rfp's. I mean, it's supposed to do its due diligence.

**NL** **Nathalie Lynch-Walsh** 1:23:00  
Right. So we need the current RFP and maybe they did, but I might not have been on it. So I would have no memory.  
All right, so we need the current RFP for the external auditors. And I would say at our next regular meeting, we probably need to put the committee together so they can

be reviewing it so that when we and make sure that we come up with a timeline, so. Everything flows as it should.



**Ali Arcese** 1:23:27

This is the callback.



**Nathalie Lynch-Walsh** 1:23:28

We so that we don't have it expiring without going through the process. OK. And then you guys need the 218.391, your favorite statutes.



**Robert Mayersohn** 1:23:33

OK.



**Nathalie Lynch-Walsh** 1:23:39

OK.

Any other feedback on this one?



**Dave G. Rhodes** 1:23:43

The again in the in the.



**+19\*\*\*\*\*01** 1:23:44

Natalie.



**Nathalie Lynch-Walsh** 1:23:45

Oh, I think I heard.



**Dave G. Rhodes** 1:23:47

The very first, I'm sorry.



**+19\*\*\*\*\*01** 1:23:48

You heard, you heard. You heard Annie medvin.



**Nathalie Lynch-Walsh** 1:23:50

I heard Andy. Yes, I did.



**+19\*\*\*\*\*01** 1:23:51

My my only comment is that from being on this Select Committee a couple times in the past, it's been relatively difficult to find accounting firms that are either qualified or willing to do this type of audit.

So I have to agree with you that it's very imperative that we get this procedure started and whether it means we extend the current auditor.

Under a new contract and whether that's allowable or not, I believe that was always an issue.

We have to get going because I'm not sure of the status of the auditing world today as it used to be, but most firms didn't want to touch this kind of audit.



**Nathalie Lynch-Walsh** 1:24:24

Wait, what? A lot. We lost him.



**+19\*\*\*\*\*01** 1:24:28

Excuse me.



**Dave G. Rhodes** 1:24:30

Demaio has his hand up, too.



**Nathalie Lynch-Walsh** 1:24:31

Yeah. No, I remember in the past.

OK, demaio's next.

Yeah, I remember in the past that it seemed like it would catch us unawares.



**+19\*\*\*\*\*01** 1:24:35

Yep.



**Nathalie Lynch-Walsh** 1:24:38

And then we would be responding to it.

Now we're trying to get ahead of it, I think.



**+19\*\*\*\*\*01** 1:24:43

And I remember one meeting when when a firm came with a proposal and we

couldn't hear it.

We had to ask them to leave because of this and no one knew about it in advance, so it's so we have to be, you know, put our ducks in a row with this.

**NL** **Nathalie Lynch-Walsh** 1:24:54

Oops.

OK.

Alright, Mr. Demaio.

Feel like there's a time delay.

 **Dave G. Rhodes** 1:25:04

Is Mike is off?

**NL** **Nathalie Lynch-Walsh** 1:25:06

It's off.

 **Dave G. Rhodes** 1:25:08

Yeah, his Microsoft.

**AM** **Anthony De Meo** 1:25:09

Sorry, the last item 6.

**NL** **Nathalie Lynch-Walsh** 1:25:13

6.

**AM** **Anthony De Meo** 1:25:15

I.

I assume that it relates to the heading up here annual financial audit.

**NL** **Nathalie Lynch-Walsh** 1:25:21

Yes, that's the policy we're looking at.

**AM** **Anthony De Meo** 1:25:22

OK.

Alright, so I don't know why we need this because we're limiting.

There are other reports that the auditors might provide us with, like a planning document like you know.

So I I don't know if this is really necessary or if it needs to be expanded.

I don't know if it matters, but this item 6.

**NL** **Nathalie Lynch-Walsh** 1:25:46

The policy.

Well, remember when we reviewed these policies with Coward and Coward?

**AM** **Anthony De Meo** 1:25:51

OK.

**NL** **Nathalie Lynch-Walsh** 1:25:55

We were just looking to see if we have any additional feedback before we dispense with them.

That's why we have these items.

**AM** **Anthony De Meo** 1:26:03

Are you referring to the item six that has five bullet points?

That's what I'm referring to.

**NL** **Nathalie Lynch-Walsh** 1:26:09

Wait. I'm.

**AM** **Anthony De Meo** 1:26:10

On this annual financial audit.

**NL** **Nathalie Lynch-Walsh** 1:26:12

Oh this.

That's the policy.

**AM** **Anthony De Meo** 1:26:15

Yeah.

**NL** **Nathalie Lynch-Walsh** 1:26:16

So this is 3100 is the annual financial audit policy we we looked at it from a cursory standpoint with coward and coward months ago, but we haven't.

**AM Anthony De Meo** 1:26:20

Right.

**NL Nathalie Lynch-Walsh** 1:26:26

Sort of officially transmitted our feedback.

So that was sort of the purpose and I think we're only going to get through this first one before we have to call it a day here.

These are not long policies, and in so we had some additional feedback like.

Lou.

Wanted to add a timeline which I think helps considering that now we've looked at the fact that we need to put the auditor selection committee in place. But in terms of getting back to the policy, you're saying that this is an existing policy.

We're just providing feedback.

So your feedback on this policy would be.

**AM Anthony De Meo** 1:27:04

Either to make six more expansive or eliminated.

I.

I don't know why it's necessary.

**NL Nathalie Lynch-Walsh** 1:27:11

Oh, number six, OK.

Got it. Sorry.

**AM Anthony De Meo** 1:27:12

Yeah.

**NL Nathalie Lynch-Walsh** 1:27:13

Oh, the following report shall be submitted to the audit committee and the school board.

I think that.



**Anthony De Meo** 1:27:20

You know, you maybe you could do a catch all and say the audit.



**Nathalie Lynch-Walsh** 1:27:23

Hmm.



**Anthony De Meo** 1:27:26

Any reports?

Oral or written provided by the external auditor shall be presented both to the Audit Committee and school board, something like that.



**Nathalie Lynch-Walsh** 1:27:38

You know, I think it says that in the office of the Chief Auditor policy.

So let me make a note to check and make it consistent because I believe there is something like that.

C oca policy.

For the more general.



**Dave G. Rhodes** 1:27:55

17th.



**Nathalie Lynch-Walsh** 1:27:59

Catch all.



**Oleg Gorokhovsky, CPA** 1:28:01

I think one of the things you might want to remember is that what happened was the last time we met, and external auditors did not provide one document to us that we requested later on.



**Nathalie Lynch-Walsh** 1:28:01

All, yeah.



**Oleg Gorokhovsky, CPA** 1:28:13

So I think the purpose of this was to make sure that they, when they come to audit committee, they know exactly what we need because, you know sometimes.

**NL** **Nathalie Lynch-Walsh** 1:28:20

Well, also the type of. Yeah, I think this was about audits.

**OC** **Oleg Gorokhovsky, CPA** 1:28:24

Yeah.

Umm.

Yeah.

**NL** **Nathalie Lynch-Walsh** 1:28:28

The type of audits that we transmit, but to Mr. Demaio's point, there may be a way of rephrasing that so that we don't have bullets under here.

**OC** **Oleg Gorokhovsky, CPA** 1:28:29

Yes.

Mm hmm.

**NL** **Nathalie Lynch-Walsh** 1:28:39

It's sort of like a general statement that anything that's to be approved by the board has to come first to the audit committee and I'm pretty sure that there is language to that effect in the office of the Chief Auditor.

**OC** **Oleg Gorokhovsky, CPA** 1:28:40

OK.

**NL** **Nathalie Lynch-Walsh** 1:28:50

Policy.

**OC** **Oleg Gorokhovsky, CPA** 1:28:52

OK.

**AM** **Anthony De Meo** 1:28:52

And then, yeah, Madam Chair, lastly, the very first paragraph of this policy says, you know, be conducted by an independent certified public accountant.

**NL** **Nathalie Lynch-Walsh** 1:28:53  
I.

**AM** **Anthony De Meo** 1:29:06  
You know, I don't know.  
Maybe we should add independent certified public accountant experience knowledgeable about.  
You know, governmental accounting, school board, district accounting. I don't know if that's too restrictive, but I sure as heck wouldn't want to hire an unqualified firm.  
You know.

**NL** **Nathalie Lynch-Walsh** 1:29:31  
Yeah, accounting.

**AM** **Anthony De Meo** 1:29:38  
Because like.  
You know, I had a whole career in this area, but I I didn't do many municipal or I never done a school board audit.  
I've done a lot of cities, but.

**NL** **Nathalie Lynch-Walsh** 1:29:52  
Right.

**AM** **Anthony De Meo** 1:29:53  
It's it's pretty specialized.

**NL** **Nathalie Lynch-Walsh** 1:29:56  
Yeah, as as they keep telling us that, you know, the private industry apparently does not prepare you for bcps. But yeah, so.  
Add.  
OK.



**Anthony De Meo** 1:30:12

I come from Chicago and nothing surprises me about government or school boards.



**Nathalie Lynch-Walsh** 1:30:17

This place continues to surprise me.

Lack of inventory reconciliations is one I'm still processing.



**Anthony De Meo** 1:30:26

That that's amazing.

I gotta say, you know, if you read the policy that Florida administrative code, it says in there there's a whole procedure on exactly what they're supposed to do under development on 69.

But that's. I didn't wanna digress now.



**Nathalie Lynch-Walsh** 1:30:42

Yeah, I I'll go back and pull that for sure.

I I just it never occurred to me that they weren't reconciling because the idea that you wouldn't reconcile was so foreign and a concept.

But it never so like I said, they still surprise me. 'cause. I wouldn't have thought that that wasn't happening, OK.

So we good on 3100?

Everyone.

Going once, going twice, Mr. Rhodes, did you have a a comment?

Because I think you did somewhere in there.



**Dave G. Rhodes** 1:31:13

Yeah, I I was.

I was saying because I saw it in in let me just double check to make sure it was in all three of the peer groups that we looked at.



**Nathalie Lynch-Walsh** 1:31:24

Mm hmm.



**Dave G. Rhodes** 1:31:24

That hang on one second.

Well, 22 out of three of.

 **Nathalie Lynch-Walsh** 1:31:33

Excuse me while while you're looking. Give me one second.

I have a child who is in the house, but the dog is begging to differ.

 **Dave G. Rhodes** 1:31:39

OK.

 **Nathalie Lynch-Walsh** 1:31:42

Give me one second if you find it. If you can share your screen. If there's you have something you want to share with the group.

 **Dave G. Rhodes** 1:31:49

I I can.

I can explain it when you come back, not a big deal.

 **Nathalie Lynch-Walsh** 1:31:51

OK.

Give me one second.

Locate the child.

Let her out.

OK, sorry, I'm back.

 **Dave G. Rhodes** 1:32:13

My my point was, is that it's not a big deal.

I think everybody in this meeting knows when the end of the fiscal year is for the district, but since these policies are outward looking at the public, it looks as though two out of the three of the peer groups that we looked at included June 30th at at. The end of the fiscal year and that happens in the very first paragraph where it says there shall be a financial audit of the school board's financial records at the completion of each fiscal year parenthesis, June 30th.

And and parenthesis that would put us in line with two of the other groups that we looked at out of the three. And it would also make it clear for the public.

**NL** **Nathalie Lynch-Walsh** 1:32:51

OK.

So let me throw that in there.

Hold on one SEC.

**AM** **Anthony De Meo** 1:32:57

Yeah, Madam Chair, I don't beat this to death because I don't even think.

We should.

We should be looking at this after everyone else looks at it.

But what is the financial records?

What does that mean?

The board the very first sentence, financial records.

I think we could be more explicit there.

You know the annual financial, you know?

Because financial records, if I'm not somebody.

That.

Deals in these things.

I might expect them to the auditors to give us a report on the the P cards or on the. Efficiency of the bus drivers or I don't know. I don't know what that means. OK.

**NL** **Nathalie Lynch-Walsh** 1:33:43

Right.

**AM** **Anthony De Meo** 1:33:44

I think that somebody should come up with some language. You look at the audit report. The audit report has tortured languages as well, but it does kind of comprehend that, you know, the financial statements of the government activities, the aggregate discretely presented component units, each major fund and.

The aggregate remaining fund information.

That's pretty specific, but some of these other policies.

**NL** **Nathalie Lynch-Walsh** 1:34:09

Mm hmm.

**AM Anthony De Meo** 1:34:11

Use words like the comprehensive you know the \*\*\*\*\* and all.  
All that I think that's better than what we have financial records.  
I don't know what that means.

**NL Nathalie Lynch-Walsh** 1:34:21

Requires an audit of all accounts.  
Well, this says all accounts of the district.  
So I'm not sure that it gets you to where you were going with that.

**AM Anthony De Meo** 1:34:26

Yeah.

**NL Nathalie Lynch-Walsh** 1:34:32

This one says.  
Well, an audit of all accounts which ours doesn't even say that ours says financial records.

**AM Anthony De Meo** 1:34:37

Yeah, I.  
Yeah. I I I just think that's not good language.

**NL Nathalie Lynch-Walsh** 1:34:45

I I agree.  
Actually, it's one of those things where if you've been staring at it, this has not been well. It's been touched in 21/20/21, although it doesn't really look like it.  
An audit of all accounts of the well this does is this the one you were reading?

**AM Anthony De Meo** 1:35:02

Hillsboro says that.

**NL Nathalie Lynch-Walsh** 1:35:04

Yeah, that's date.

**AM Anthony De Meo** 1:35:06  
Dade says that Hillsborough says that it's just I I don't. It just.

**NL Nathalie Lynch-Walsh** 1:35:11  
OK.

**AM Anthony De Meo** 1:35:11  
It's not very good morning.

**NL Nathalie Lynch-Walsh** 1:35:12  
So maybe adopting basically the June, this gets the June 30th?  
This says the \*\*\*\*\* certified or the state auditor's office.  
Will the state that's in statute the audit examination shall be conducted according to?  
The I I actually like this whole.  
Paragraph.  
I think this is from Dade, so see, so I'll put in here.

**AM Anthony De Meo** 1:35:43  
Somewhere where it said.  
Wherever the board has oversight of any funds or any, that's a good. Yeah, that's a good that's good language. But I think you can say the, you know, the the financial statements of the government, governmental activities.

**NL Nathalie Lynch-Walsh** 1:35:51  
I think I might have been Hillsborough.  
Mm hmm.

**AM Anthony De Meo** 1:36:07  
Each major fund I think these are important things to put in there, you know.  
No.

**NL Nathalie Lynch-Walsh** 1:36:13  
Yeah.

Yeah, this it was Hillsborough that said to include all funds over which the board has director, supervisory control.  
And then I didn't pull up Palm Beach.  
But let's pull that one.

**AM Anthony De Meo** 1:36:26

Yeah, that, that's that's good.  
Palm Beach doesn't.

**NL Nathalie Lynch-Walsh** 1:36:30

Yeah, whoever writes their policies is pretty good.  
As a whole, I've found so now where is this audit committee?



**Dave G. Rhodes** 1:36:39

So this one is kind of a a a Stew, it kind of covers various areas instead of separate policies.

**NL Nathalie Lynch-Walsh** 1:36:45

Does it have the annual?  
I don't see the annual financials though.  
Oh, this is audit committee one, OK?  
So maybe not Palm Beach, but Palm Beach.  
They didn't have one on on the annual financial audit.



**Dave G. Rhodes** 1:37:01

I was unable to find it.  
I'll go back and take another look, but I looked at it.  
Four or five times even used AI.

**NL Nathalie Lynch-Walsh** 1:37:08

OK.  
So let's see.  
See the other districts.  
Policies.  
I.

**AM Anthony De Meo** 1:37:23

You know, I don't know how excited we should get because there is Florida statutes that require an audit and.

**NL Nathalie Lynch-Walsh** 1:37:30

Right.

**AM Anthony De Meo** 1:37:31

The reasonable interpretation of that would get you where we need to go, but but it's just the the financial records.

**NL Nathalie Lynch-Walsh** 1:37:35

Mm hmm.

**AM Anthony De Meo** 1:37:38

I I don't what that means.

**NL Nathalie Lynch-Walsh** 1:37:40

It sounds very there are policies where the the language is archaic and sophomoric, and it just never changed.

It was probably fine when this was initially put together.

**AM Anthony De Meo** 1:37:47

Yeah.

**NL Nathalie Lynch-Walsh** 1:37:51

Oh, in 1970s six.

But you know and then in 91, they just didn't change it 'cause this financial records sounds like 1976 language.

**AM Anthony De Meo** 1:38:02

Yeah.

**NL Nathalie Lynch-Walsh** 1:38:03

That just never evolved.

So OK.

So I think I'll clean up because I've just been putting this in here. So I had it on record.

But I'll clean that up.

I know what you're saying as far as the language to it. It needs to sound more. Reflective of what they're auditing, but also for lack of a better way of putting it more grown up.

Sometimes our stuff sounds like it just didn't evolve.

All right, so it is 1131 and that was our first policy.

That was possibly our shortest one. I don't think there was anything on here coordination.

The changes.

Yes, this one's even shorter.

And I think what we need is to clean out.

The because we got these PDFs and we need to clear out where they formatted.

I may have gotten them as word documents so, but this is sort of the redline version that.

Coward and Coward was working with. So what I can do is remove the formatting tracking and just put any feedback.

So at our next meeting, since I'm trying to stay on task here.

If everybody could look at these other two.

3101 and 1003 we have to bring 3100 back to formally vote and we can either do that at we could probably do that at our April or May meeting.

I don't think this is just so we get this done this year, but unless they suddenly bring it to the school board, Mr. Rhodes, can we find out when they might be bring or are you driving the bus on? We go to the school board.



**Dave G. Rhodes** 1:39:55

I can check it out with the folks up on the 10th floor and determine that because I'm not driving it.



**+19\*\*\*\*\*01** 1:40:01

Told your brother.



**Dave G. Rhodes** 1:40:03

They're working together with coward and coward, and we're just kind of surviving it.



**Nathalie Lynch-Walsh** 1:40:07

OK, 'cause, since you're the custodian over these, I would think that they wouldn't take them to the board without you at least knowing what their intention was.



**Dave G. Rhodes** 1:40:16

Mm hmm.



**Nathalie Lynch-Walsh** 1:40:17

Because, yeah, I think April is too soon.

Well, it's too soon for me.

'Cause, we're gonna have an agenda out and we have a packed agenda, so maybe may.

Worst case scenario, the June meeting and.

We also need to form the auditor selection committee.

So that they're at least a group and they can get sort of started all right.

So we'll go back to these.

When we bring this back and either, depending on what we have going on, need a special meeting in sometime in April or May and I think we might anyway.

But check on that and these are short enough that we should be able to knock them out. I mean, these are one pagers, but what I'll do is get rid of where they formatted it because that's very it's distracting if you. And so we can just focus on.

The content and make recommendations on the content and not be distracted by the formatting changes, so those are the last two. They're pretty short.



**Dave G. Rhodes** 1:41:23

And, Madam Chair, I'm sorry to interrupt, but I just wanted to let you know I think Mr. Naylor may have had a question while we're still in this area.



**Nathalie Lynch-Walsh** 1:41:31

OK.

**LN** **Lew Naylor** 1:41:33

No, I'm just going to make an.

**NL** **Nathalie Lynch-Walsh** 1:41:33

Lou.

**LN** **Lew Naylor** 1:41:36

A recommendation for 3101.

But Worksense, we're putting it off to.

**NL** **Nathalie Lynch-Walsh** 1:41:42

Yeah, because I don't think since I'm trying to stay on time. OK. All right, as long as you don't forget what it is.

**LN** **Lew Naylor** 1:41:47

Yeah. Now that's that's fine. Thank you.

**NL** **Nathalie Lynch-Walsh** 1:41:52

Otherwise, I'll take the feedback right now.

So alright.

**LN** **Lew Naylor** 1:41:56

Now I made my notes. Thanks.

**NL** **Nathalie Lynch-Walsh** 1:41:59

You made your notes OK. Alrighty. OK.

**AM** **Anthony De Meo** 1:42:01

Yeah, Madam Chair, I I do.

I do think somebody should make a motion about that reconciliation of inventory.

**NL** **Nathalie Lynch-Walsh** 1:42:04

Yes.

**AM Anthony De Meo** 1:42:09

It it needs to be not only reconciliation, but there needs to be a report semiannually that goes to someone I don't know to who showing any reconciling differences or any differences, and then they should be responsible for following up. Involving the chief auditor. But maybe we can do that next time, but that that seems to me to be. Sense I can believe they're not doing that right now. I can't believe we don't have a requirement to do that right now.

**NL Nathalie Lynch-Walsh** 1:42:38

I looked. It was the first thing I noticed. There were just two paragraphs in the business practice Bulletin, so my first observation is this is not long enough for laypeople to know how to do inventory. And then I started digging. So I'm going to put that with the motion and ask Mr. Rhodes to forward that to everybody and then we can have if we don't have time at our April meeting, although Mr. Rhodes, when would that follow up, go to the board and then we'll end on that. When does the?

 **Dave G. Rhodes** 1:43:04

The follow up the the follow up audit.

**NL Nathalie Lynch-Walsh** 1:43:07

For Atlantic W, yes. When would that be?

 **Dave G. Rhodes** 1:43:09

Yeah, we we are. We are going to start that. I believe it's going to be in the first week of April and as I said, we've got the audit program. Basically completed on that. There's just a couple little tweaks we have to do, but to Mr. Demaio's point, we

intend to ferret out that information regarding the reconciliation and the compliance component that has to do with the Florida Administrative Code requirement.

 **Nathalie Lynch-Walsh** 1:43:34  
But when would it come back to us?

 **Dave G. Rhodes** 1:43:36  
It would come back to you after it was completed and I would say that that would likely be, I think, May's probably a little aggressive, but we'll try to see if we can have that put together by May.

 **Nathalie Lynch-Walsh** 1:43:45  
So.

 **Dave G. Rhodes** 1:43:49  
Or June.

 **Nathalie Lynch-Walsh** 1:43:50  
We go back to the board.  
OK. All right. So once we send out the motion and then we can have a discussion by June, hopefully with the follow up. OK, sounds good.

 **Dave G. Rhodes** 1:43:52  
Yep.

 **Nathalie Lynch-Walsh** 1:44:00  
Alrighty, it's 1136 and unless I don't see any hands raised.  
Ali put some stuff in the chat.  
So did Gabriel.  
So I'll go look at those because I think that ties back to the Florida Administrative Code 69, I dash 73.  
Otherwise, everybody will see you at our regular meeting.  
Thank you all for being here.  
I'm going to go dress shopping with my high school senior that's on the agenda for today.



**Dave G. Rhodes** 1:44:28

Enjoy.



**Robert Mayersohn** 1:44:28

Have fun.



**Anthony De Meo** 1:44:28

F1.



**Nathalie Lynch-Walsh** 1:44:28

All right.



**Anthony De Meo** 1:44:30

Bye everyone.



**Nathalie Lynch-Walsh** 1:44:30

Thank you so much.



**Robert Mayersohn** 1:44:31

All right. Have a great day.



**Nathalie Lynch-Walsh** 1:44:31

All right.



**Dave G. Rhodes** 1:44:31

Have a good weekend.



**Nathalie Lynch-Walsh** 1:44:32

Take care.



**+19\*\*\*\*\*01** 1:44:32

Yeah.

**NL** **Nathalie Lynch-Walsh** 1:44:32  
All right. Bye bye.

**RL** **Ruth Lynch** 1:44:34  
Bye.

□ **Bryan Erhard** stopped transcription