

Minutes of the WLS Finance Audit Committee Meeting  
4/7/2025 @ 9:00am - in person, except where noted

Location: Westchester Library System, 570 Taxter Rd, Suite 400, Elmsford, NY

In attendance:

From WLS:

Terry Kirchner (Executive Director)

Rob Caluori (CFO)

Kate Meyer (Operations Manager)

From the Audit Committee:

Wes Iwanski (Chair) - District 7

Maureen LeBlanc (Treasurer) - District 8

Diane Tabakman - District 11

From Dorfman Abrams Music, attending via video:

Patricia Diaz (Engagement Partner)

The meeting started with introductions and was followed by the presentation, which began shortly after 9:00am; the presentation was delivered by Ms. Patricia Diaz, Engagement Partner at Dorfman Abrams Music.

The review started with the Financial Statements report, which Ms. Diaz described as accurate and fairly represented.

The Statement of Activity showed a positive change in net assets between 2023 and 2024, mainly due to a change post-retirement benefits (estimated value of future obligations), a nonoperating activity. NYS and Westchester County government support also increased, as did member technology fees.

Ms. Diaz noted that program services expenses exceed 82% of total expenses, in excess of the 75% threshold that nonprofit organizations generally target. Expenses increased between 2023 and 2024 due largely to increases in payroll and health benefits.

Notable Balance Sheet changes included an increase in cash assets, due to the end-of-year receipt of pass-through grants and legislative aid (received twice last year, for both 2024 and 2025), as well as a significant increase in computer inventory. Prepaid expenses were also notably lower than year-end 2023.

The Auditor noted that the organization has about 9 months of reserve funds; having between 3 and 6 months is considered “good” for a nonprofit organization.

Ms. Diaz noted that the Audit report was issued “unmodified”, and represents a clean opinion; it will be dated once it is approved by the Board. Ms. Diaz also noted that there were no issues

encountered during the audit process, and found no significant weaknesses or deficiencies in WLS financial reports or processes.

As in prior years, Ms. Diaz highlighted that WLS has sizeable deposits at TD Bank that exceed FDIC insurance limits. Mr. Caluori later confirmed that any excess is collateralized in accordance with NYS General Municipal Law. Ms. Diaz also suggested that WLS “clean up” outstanding checks older than one year.

Mr. Iwanski raised some questions about several big swings between 2023 and 2024 for clarification, which Ms. Diaz explained. These included the change in net assets, post retirement benefits, prepaid expenses, and others.

Ms. LeBlanc asked whether the auditors look at the adequacy of the financial reports received by the Board, as well as their consistency with the year-end audited financials. Ms Diaz indicated that the auditors do review those statements as part of their work and had no suggested changes.

The committee agreed by consensus to enter executive session for the purpose of discussing a personnel matter. WLS staff left the room so that the audit committee could communicate in confidence with the auditor.

The committee voted unanimously to end executive session. The auditor disconnected from the video call and WLS staff were invited back into the meeting. On a motion from Mr. Iwanski, seconded by Maureen LeBlanc, the Audit Committee voted unanimously to approve the Audit Report.

Per the auditor, the biggest threat to WLS involves cyber security; Mr. Caluori explained that management is very attentive to such risks and works to address them through using multi factor authentication for all banking and financial accounts, and requiring layers of approvals for outgoing payments. A description of these efforts will be presented in an upcoming monthly Board meetings.

It is the Audit Committee’s recommendation that the Board of Trustees vote in favor of approving the Audit Report.

The meeting concluded at around 10:45am.

Minutes submitted by Wes Iwanski.