

Rochester Joint Schools Construction Board

REPORT TO THE BOARD

JUNE 30, 2014



October 31, 2014

To the Members of the Board
Rochester Joint Schools Construction Board
1776 North Clinton Avenue
Rochester, New York 14621

Members of the Board:

We are pleased to present this report related to our audit of the basic financial statements of Rochester Joint Schools Construction Board (RJSCB) for the year ended June 30, 2014. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for RJSCB's financial reporting process. Also included is a summary of recently issued accounting standards that may affect future financial reporting by the Rochester Joint Schools Construction Board.

This report is intended solely for the information and use of the members of the Board and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to RJSCB.

Very truly yours,

Freed Maxick CPAs, P.C.

Freed Maxick CPAs, P.C.

Contents

Required Communications	1-2
Recently Issued Accounting Standards	3
Exhibit A - Certain Written Communications Between Management and our Firm	4
Representation Letter	

Required Communications

Generally accepted auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our engagement letter dated April 5, 2014.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p data-bbox="789 837 1422 863">Preferability of Accounting Policies and Practices</p> <p data-bbox="789 873 1422 1018">Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p data-bbox="789 1035 1422 1060">Adoption of, or Change in, Accounting Policies</p> <p data-bbox="789 1071 1422 1247">Management has the ultimate responsibility for the appropriateness of the accounting policies used by the RJSCB. In the current year RJSCB did not adopt any significant new accounting policies nor have there been any changes to existing significant accounting policies during the year.</p> <p data-bbox="789 1272 1422 1297">Significant or Unusual Transactions</p> <p data-bbox="789 1308 1422 1423">We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p data-bbox="789 1449 1422 1505">Management's Judgments and Accounting Estimates</p> <p data-bbox="789 1516 1422 1877">Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experiences about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. Management has determined that there are no significant estimates and judgments at this time.</p>

Basis of Accounting	The financial statements were prepared on assumption that the entity will continue as a going concern.
Audit Adjustments	There were no audit adjustments noted during our audit.
Uncorrected Misstatements	There were no uncorrected misstatements noted during our audit.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Certain Written Communications Between Management and Our Firm	A copy of certain written communications between our firm and the management of the RJSCB are attached as Exhibit A.

Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by RJSCB. The RJSCB's management has not yet determined the effect these Statements will have on the RJSCB's financial statements. However, the RJSCB plans to implement all standards by the required dates. The Statements which might impact the RJSCB are as follows:

***Summary of Statement No. 69,
Government Combinations and
Disposals of Government Operations***

This Statement, issued in January 2013, will be effective for the RJSCB with its year ending June 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term, government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.

A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

The requirements of this Statement are effective for governmental combinations and disposals of government operations occurring in financial reporting periods beginning after December 31, 2013, and should be applied on a prospective basis. Earlier application is encouraged.

**EXHIBIT A - CERTAIN WRITTEN COMMUNICATIONS BETWEEN
MANAGEMENT AND OUR FIRM**

**Rochester Joint Schools Construction Board
City of Rochester, New York**

October 31, 2014

Freed Maxick CPAs, P.C.
100 Meridian Centre Blvd
Rochester, New York 14618

This representation letter is provided in connection with your audit of the basic financial statements of the Rochester Joint Schools Construction Board (RJSCB) as of and for the year ended June 30, 2014 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of October 31, 2014:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 5, 2014, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take
5. Related party transactions, including those with the primary government having accountability for the RJSCB, interfund transactions, including accounts receivable, payable and interfund transfers have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Net position.
 - b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - c. All significant estimates and material concentrations known to management which are required to be disclosed.

- d. The effect on the financial statements of GASB Pronouncements, which have been issued, but which we have not yet adopted.
 - e. Deposits and investment securities category of risk.
9. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10.
 10. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
 11. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
 12. We have no knowledge of any uncorrected misstatements to the financial statements.

Information Provided

13. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the RJSCB from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees of board members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
14. All transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
16. We have no knowledge of allegations of fraud or suspected fraud, affecting the RJSCB's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
17. We have made you aware of any allegations of fraud or suspected fraud affecting the financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
18. We have made you aware of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
19. We have made you aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
20. We have disclosed to you the identity of the related parties and all the related-party relationships and transactions of which we are aware.

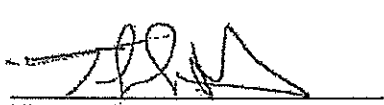
21. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the RJSCB 's ability to record, process, summarize, and report financial data.
22. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Compliance Considerations

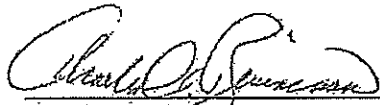
In connection with your audit, conducted in accordance with Government Accounting Standards, we confirm that management:

1. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
2. Has identified and disclosed to the auditor all instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
3. Has identified and disclosed to the auditor all instances, that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
4. There have been no instances, that have occurred, or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
5. We have a process to track the status of audit findings and recommendations.
6. Has identified for the auditor previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented
7. Acknowledges its responsibilities as it relates to nonaudit services performed by the auditor, and assumes all management responsibilities. Tom Renauto and Cerri Cupples, possess suitable skills, knowledge, or experience; have evaluated the adequacy and results of the services performed and accepts responsibility for the results of the services.

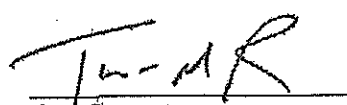
During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



Thomas Richards
Board Chair



Charles Benincasa
Treasurer



Tom Renauto
Executive Director