

Rochester Board of Education
Audit Committee Meeting
December 1, 2015

Minutes

Attendance: Commissioners Adams, Evans, Board President White. Board Staff: Ms. Jacqueline Farabell and Mr. David Brown, both from Office of Auditor General.

Commissioner Adams convened the meeting at 5:50 PM.

- I. Freed Maxick Presentation on the 2015 Audit:** Kathryn Barrett and Chris Piedici presented a summary of the external audit performed for the fiscal year ended June 30, 2015. The presentation included the audit process, financial highlights, other significant issues, required communications, and future financial considerations.
- II. Current Business Review of the 2014-15 CAFR with Freed Maxick:** Highlights include the implementation of GASB Statements No. 68 and 71 which had a net impact on net position of \$57M. Total revenues increased \$16.8M from prior year primarily from grants and state aid. Total expenditures increased \$103.9M due primarily to contractual salaries, benefits, and increases in charter school payments. Those increases were offset because of the impact of GASB 68 by \$57M.

Debt service expenditures increased by \$8.1M, noting additional FMP debt of \$44.2M. RJSCB Phase 1 spending significantly decreased by \$78M as it neared completion. The District opted to participate in the NYS Employee and Teachers Pension Smoothing Program again this year.

Committed fund balance decreased by \$6.1M due to workers compensation. Assigned fund balance was relatively unchanged at \$19.8M. Unassigned fund balance decreased by \$4.2M to \$10.4M, which is 1.5% of the 2015-16 budget. There continues to be projected future budget gaps over the next four fiscal years, which the unassigned fund balance cannot support. There continues to be a projected decrease in enrollment and a growth of Charter Schools.

There were no significant or unusual transactions, audit adjustments or uncorrected misstatements. A qualified opinion was received for Student Activity Funds noting that although there were improvements in the past year, the District continued to have multiple control deficiencies.

A motion to forward the CAFR to the Board of Education for approval was made by Commissioner Evans and approved by all members present.

- III. The meeting was called into Executive session by Commissioner Adams at 6:51 PM to conduct a confidential discussion with the External auditors.**
- IV. Adjournment:** The meeting was adjourned at 6:59 PM.