

Rochester Board of Education
Audit Committee Meeting
December 2, 2014

Minutes

Attendance: Commissioners Adams and Evans, and Vice President Elliott. Board Staff: Ms. Henry-Wheeler, Auditor General. Financial Expert Annie Sealy and Parent Representative Donald Redman were excused.

Commissioner Adams convened the meeting at 5:36 PM.

- I. Review and Approval of Minutes from the Last Audit Committee Meeting:** Minutes from the October 21, 2014 meeting were approved.

Motion to approve Minutes made by Vice President Commissioner Elliott and approved by members present.

- II. Current Business Review of the 2013-2014 CAFR with Freed Maxick:** A presentation by Freed Maxick, External Auditors, discussed the audit for the fiscal year ended June 30, 2014. Kathryn Barrett, Engagement Director and Christopher Piedici, Engagement Manager presented. The presentation included the audit process, financial highlights, other significant issues, and required communications. All questions were answered to the Committee's satisfaction.

Highlights included an increase in total revenues of \$48.6 million over prior year, primarily in grant revenue and state aid. Total expenditures increased \$40.4 million, primarily due to increases in contractual salaries and benefits, charter school payments, and increase in interest on debt due to debt issued in the prior year associated with RJSCB.

Financial operations resulted in a deficit of \$6.3 million, decreasing fund balance to \$77.1 million. Restricted fund balance decreased by \$4.1 million due to use of fund balance for debt service payments. Amounts appropriated for 2014-2015 decreased by \$1.7 million to \$9.9 million. Unassigned fund balances decreased by \$4.8 million to \$14.6 million or 2.2% of the 2014/2015 budget.

The District opted to participate in the NYS Employees and Teachers Pension Smoothing Program. Grant funding of District expenditures increased by \$5.9 million and operations from the school lunch program resulted in a surplus of \$.6 million. Debt service expenditures decreased by \$6.5 million as a result of debt refinancing that occurred in the prior year. And RJSCB spending increased by \$34.6 million as Phase I of the Facilities Modernization Project neared completion. Student Activity funds were communicated as a Control Deficiency.

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. Meeting called into Executive Session by Commissioner Adams at 7:01 PM to conduct a confidential discussion with the External Auditors.**
- IV. Adjournment:** The meeting was adjourned at 7:20 PM.

Minutes recorded by Sarah Billings
Minutes Approved at the January 1, 2015 AC Mtg.