

Rochester Board of Education  
Audit Committee Meeting  
May 11, 2011

Minutes

**Attendance:** Commissioners Williams and Elliott. Commissioner White was excused. Board Staff: Ms. Henry-Wheeler, Auditor General.

Commissioner Williams convened the meeting at 5:02 PM.

- I. Presentation by Freed Maxick & Battaglia, PC (FMB) to discuss the Audit plan for fiscal year ending June 30, 2011 for Rochester City School District.** Kathryn Barrett, CPA, Engagement Director and Patrick Clancy, CPA, Engagement Manager presented. The presentation included a description of FMB's management team, understanding of RCSD needs, reporting timetable, audit objectives, developments affecting RCSD business and financial reporting, audit strategy, audit risk assessment, and diversity.

FMB communicated that the Medicaid Claims Reimbursement moratorium was lifted a few weeks prior. This will have an impact on the financial statements this year because RCSD will now be able to bill for services that were held for the past year or longer. The billing process for those claims reimbursements already incurred should generate significant Medicaid revenue.

Other Accounting Issues Include: GASB Statement No 54. – The Reserved Fund Balance identification is being replaced with “Restricted Fund Balance, Committed Fund Balance and Assigned Fund Balance”. The Board will be required to address GASB 54.

GASB Statement No 57 - Expected for July 1, 2011. The State Education Law and General Municipal Law have not established a Reserve Fund for these monies, nor have they created a trust for the district to invest.

GASB Statement No 39 and 61 – These are not new but they need consideration this year. This is regarding the recently established the Rochester Joint Construction School Board (RJCSB) and the two GASBs will affect how this information is either reported on the RCSD or City financial statements.

FMB concluded their Audit Plan presentation for the year ending June 30, 2011.

**II. Additional Business:**

Commissioner Elliott stated that after the review of the December 8, 2010 Minutes, she requested clarification from the Auditor General related to the vendor approval finding. The Corrective Action Plans as identified by the Chief Financial Officer were identified to be appropriate by FMB. She expressed a concern that the District does not verify vendors with greater than \$25,000 in business services and asked what the corrective action was? FMB indicated the district was going to establish a system to flag the vendors over \$25,000.

Commissioner Elliott requested information regarding the March 10th BOE Policy meeting minutes. The Deputy Auditor General stated that the Legal Department presented a draft policy regarding the release of Internal Audit reports. The Auditor General indicated that the OAG staff had not seen the policy prior to that meeting. The committee determined that the Internal Audit Policy must be reviewed by the Audit Committee.

**III. Approval of Minutes:** Commissioner Elliott made a motion to approve the March 10, 2011 Minutes. Commissioner Williams seconded the motion and approved the March 10, 2011 Minutes.

**IV. Adjournment:** Meeting adjourned at 6:22 PM. This motion was made by Commissioner Elliott and seconded by Commissioner Williams.