



BATAVIA CITY SCHOOLS

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Minutes of Audit Committee Meeting – September 25, 2012

Audit Committee Members: Frank DeMare, Mike Grammatico, Jim Mungillo, Phil Ricci, Gail Stevens

District Employees: Margaret Puzio (Superintendent), Chris Dailey (Deputy Superintendent), Scott C. Rozanski (Business Administrator), Sally Sanford (Treasurer), Pam Buresch (Medicaid Compliance Officer), Nancy Mitchell (claims auditor)

Others Present: Kathryn Barrett and Joe Fenicchia – Freed Maxick Battaglia CPAs

Chairperson Elected – The committee elected Mike Grammatico as the audit committee chairperson.

Internal Claims Auditor: Nancy Mitchell reviewed the findings from May 12, 2012 through September 14, 2012. There are no significant findings to report. Nancy reported that she has received additional training from Raymond F. Wager's (district internal auditor) office. The committee decided to enhance internal controls by purchasing a paid stamp that Nancy will mark on all documents to prevent duplicate payments, if the paperwork somehow becomes separated.

Medicaid Update: Ms. Pam Buresch presented her recent audit of the District Medicaid Program. The few findings were reviewed with the audit committee and she will follow up with Mrs. Trisha Finnigan and Mr. Rozanski. The committee decided to maintain the current process set up for Medicaid even though we fall below the threshold but will ask Ray Wager's office for recommendations on how to reduce the scope of the testing.

External Auditor: Mrs. Kathryn Barrett and Mr. Joe Fenicchia presented the draft June 30, 2012 Independent Audit. The District is in good shape fiscally and there were relatively few audit adjustments processed. There were a few comments in the District Management Letter and a District response to each one will be submitted to be included in the final report. The extraclassroom activities audit comments showed a significant improvement over past years. Both reports will be presented to the Board of Education for approval on October 9, 2012. The external audit is due to NYS by October 15, 2012. Mrs. Barrett recommended that the audit committee continually evaluate and update the District's long term financial plan.

Minutes: The minutes of the May 21, 2012 audit committee were approved.

Bond Refunding: Mr. Rozanski informed the audit committee that the refunding (refinancing) of the 2003 and 2004 bonds has been completed. The District will save approximately \$815,000 over the next seven years which should extend the life of the Debt Service Fund. The state will be adjusting its

formula for state aid on Building Aid so the savings may actually be lower. The refunding was for about \$14,000,000 and interest rates decreased from 4% to around 1%.

Charter Review and Standing Agenda Items - The audit committee received the Charter to review and will begin to prepare for the annual self-assessment that is in the process of becoming a requirement of the audit committee. There will also be standing items on future audit committee agendas for contract negotiations and budget.

Next Meeting: The next meeting is tentatively set for December 18, 2012.

Respectfully Submitted,

Scott C. Rozanski,
Business Administrator/Board of Education Clerk