



BATAVIA CITY SCHOOLS
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Minutes of Audit Committee Meeting – December 18, 2012

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

District Employees: Margaret Puzio (Superintendent), Scott C. Rozanski (Business Administrator), Sally Sanford (Treasurer), Pam Buresch (Medicaid Compliance Officer), Nancy Mitchell (Claims Auditor)

Others Present: Tom Lauffer – Raymond F. Wager CPA PC

Internal Claims Auditor: Nancy Mitchell reviewed the findings from September 26, 2012 through December 6, 2012. There are no significant findings to report.

Medicaid Update: Ms. Pam Buresch presented her recent audit of the District Medicaid Program. The few findings were reviewed with the audit committee and there was nothing that financially impacted the District. Ms. Buresch will follow up with Mrs. Trisha Finnigan and Mr. Rozanski for District procedures regarding timeliness of the paperwork received from out of district providers.

Internal Auditor: Mr. Tom Lauffer reviewed the area of testing regarding separation pay for the retiring Superintendent. The District records agree with the audit through October 2012. The District officials were excused so the audit committee could meet in executive session. Ms. Gail Stevens left the audit committee meeting and shortly thereafter executive session ended.

Minutes: The minutes of the September 25, 2012 audit committee were approved (Motion made by Jim Mungillo and seconded by Phil Ricci, passed 4-0).

Student Accounts: Ms. Sally Sanford informed the committee that the District audits will begin shortly.

Bond Refunding: Mr. Rozanski informed the audit committee that with the refunding (refinancing) of the 2003 and 2004 bonds this past fall the District must now comply with new IRS guidelines. Temporary measures have been put into place therefore, we have been in compliance effective November 15, 2012 in order to complete Form 8038-TC. Final procedures will be developed during the year while working with HodgsonRuss, the Districts' bond counsel.

Budget 2013-14 - The audit committee was updated on the tentative impact of the 2013-14 budget with two items causing the greatest impact. First, the retirement system employer contribution rates are scheduled to rise between 30%-40% for teachers and administrators and 13% for support staff. This will increase the budget by \$800,500 based on 2012-13 salaries. The State Aid revenue to be received is also in jeopardy as a significant amount of funding may be shifted to cover the cost of

repairs for hurricane Sandy. The retirement system rates will be finalized in February and State Aid funding will be more certain once the Governor releases his budget in mid January.

Internal Controls Training for PTA and Booster Clubs: The District's internal auditor is offering a training that will help strengthen internal controls in PTA's and Booster clubs. The District supports this training and is trying to coordinate the training from Ray Wager's office in the spring. The District Management Team is in the process of gathering information from the various organizations.

Next Meeting: The next meetings are tentatively set for March 12, 2013 and May 14, 2013.

Respectfully Submitted,

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