

BFCCPS Finance Committee
Meeting Minutes
September 3, 2008
8:00am, Office of the HOS

Attendees: Lori Clements, Jerry Cimmino, Anna dos Santos, Pat Fairbanks, Rich Frongillo, John Neas, Dr. Kevin O'Malley, Joe Perna, Deb Schwab, Tim Tracy, John Buckley (AAF), Davide Villani (AAF)

8:08 begin

Review with auditors, John Buckley reporting to the committee

- Audit began in July to set expectations, delay was encountered due to lack of materials from the Foundation which arrived piecemeal
- Cash balance was off by approximately \$52,427, auditors will continue to research the first 6 months of bank statements to identify the discrepancy; the most recent 6 months were already reviewed
- This raised a question of control adequacy
- Possible solutions may include: using a different accounting system, starting 'new' with current software, using the 'audit trail' function, hiring a consultant to help with monthly closing of the books and reporting to the board

Review draft financials

- Pages 2-4, the Management Discussion and Analysis, needs to be provided by school; usually done by Kara; Anna will do this year.
- There was no repeat of the \$40,000 expense issue which surfaced in the prior year (good news)
- Lease was expected to remain at \$195K/year
- Outstanding question regarding the renewal of the note payable for the land held by the Foundation
- Line of credit has increased

If the board does not approve the audit report in September, there will need to be some additional testing at additional cost to refresh the audit statements.

Review of Management Letter

- "Significant Deficiencies" - Of 25 employees tested, 2 were underpaid, uncovered by auditors and remedied by administration
- Several "Control Deficiencies" were identified.

Disclosures and Ratios were reviewed

Dr. O'Malley

- Student count is 418 due to over enrollment strategy (404 were projected)

- Due to the higher count, he estimates the need for an aide to help with the 6th grade classes at a cost of approximately \$23,000; the aide could occasionally be used in 5th grade classes also.
- Requests the staffing budget be increased by \$23,000 – the committee votes unanimously to recommend the request to the full board
- Due to the movement of the general music classroom to the auditorium area, soundproofing and a ceiling to the classroom is necessary
- Request of \$20,000 to outfit and soundproof space for the music room
- The finance committee discussed increasing the transfer from reserves to cover both the \$20,000 requested as well as the amount needed to pay for the shed and new office configuration in the cafeteria area built over the summer

9:50 adjourn