

**Garrett County Board of Education
40 S Second Street
Oakland, MD 21550**

**SPECIAL BUSINESS SESSION
Thursday, September 25, 2014**

Board Members present included Mr. Thomas Carr, President; Mr. Rodney Reckart, Vice President, Board Members: Mr. Matthew Paugh, Mrs. Cynthia Downton and Mrs. Charlotte Sebold. Also present for the meeting: Dr. Janet Wilson, Secretary -Treasurer / Superintendent of Schools, Mr. Larry McKenzie, Director of Finance; and Ms. Miriam Sincell, Attorney for the Board. The meeting was held at Central Office in the Board room.

1. Opening

A. Call to Order

Mr. Carr called the meeting to order at 5:51 p.m. He welcomed the board members, administrators and the auditors from The Rodeheaver Group, P.C.

B. Moment of Silence

C. Pledge of Allegiance

The Pledge of Allegiance was led by Mr. Rodney Reckart, Board Vice President

2. FY2014 Financial Statements and Single Audit Results

Mr. Larry McKenzie, Director of Finance, introduced the staff of The Rodeheaver Group, P.C. in attendance at the Board meeting. Staff included Mr. James Murray, CPA and Principal of The Rodeheaver Group, P.C.; Mr. Daniel Porter, CPA and Manager of the Board of Education audit, and Ms. Marissa Thomas-Kling, Staff Accountant. Mr. Murray stated the Board of Education members had already received the Financial Report for period ending June 30, 2014.

Mr. Murray stated the auditing standards have been revised according to changes in auditing practices. Mr. Murray reviewed the The Independent Auditors' Report and indicated that the Board was being issued an unmodified opinion or "clean report" of those financial statements.

Mr. Porter reviewed the Single Audit Report and indicated that there were no instances of non-compliance found in the report. In the opinion of the auditors, the schedule of federal expenditures were fairly stated in

all materials respects in relation to the basic financial statements. Going forward, The Board of Education will be considered a “low risk” auditee.

He also shared two recommendations to the Board and management team: the need to review and update the fixed asset policies; and the need for a Windows-based financial and personnel information system to replace the existing AS400 based system.

Mr. Porter stated that the same factors that impacted state funding in the past will continue to impact our funding in the future. Mr. Porter stated another factor impacting the school system financial statements going forward will be the impact of GASB State 68, Accounting and Financial Reporting for Pensions, which becomes effective in FY15. This standard will require employers to recognize an unfunded pension as a liability in their financial statements. The effect of recording this unfunded pension obligation is not yet determined.

The FY2014 audited financial report, along with the financial statements of previous years can be found at the Garrett County Public School website, under the Finance Department.

3. Recess Business Session

A. Move to Executive Session

The Board recessed the business meeting at 8:00 p.m. to go into executive session under authority of 10-503 and 10-508 of the State Government Article of the Annotated Code of Maryland to discuss a professional leave request, field trip request and the Superintendent's evaluation. The Board reconvened the business meeting at 10:00 p.m. Upon a motion made by Matthew Paugh and seconded by Mrs. Charlotte Sebold, the Board unanimously approved the adjournment of the meeting at 10:01 p.m.