

**RIVER ROAD INDEPENDENT SCHOOL DISTRICT  
BOARD OF EDUCATION  
AMARILLO, TEXAS**

**Subject:** Auditor Engagement

**Date:** Monday, June 22, 2015

**Presented By:** Mike Hodgson  
Business Manager

**Related Page(s):** This page + 8 page  
Engagement Letter

**ACTION ITEM**

**BACKGROUND INFORMATION:**

Each year the school district is required to engage a certified public accounting firm to conduct an audit of the school district's financial records for the fiscal year.

We are recommending that the firm Johnson & Sheldon, P.C. conduct the audit of the school district as they did last year. This past March, the Texas Administrative Code (TAC Section 109.23) was amended to require that a firm that audits a school district be a member of the AICPA Governmental Audit Quality Center. Johnson & Sheldon are members of this Center.

The fee for the audit is estimated to be in the range of \$32,000 to \$34,000. Last fall the fee was \$34,000.

In a related matter, the Governmental Accounting Standards Board (GASB) in their Statement 68 is now requiring that school districts across the country include their share of any liability of the State Pension System's (TRS) net liability. The purpose of this requirement is to make governmental financial statements more comparable to the financial statement of private organizations. We do not yet know the amount of this liability (TRS is calculating it) but it will reflect negatively on the financial statement numbers of all schools in the country.

**BOARD ACTION REQUESTED:**

To contract with Johnson & Sheldon to conduct the annual audit of River Road ISD's 2014-2015 Fiscal Year records and authorize Mr. Owen to sign the engagement letter indicating such.