



State of Rhode Island and Providence Plantations
RHODE ISLAND BOARD OF EDUCATION
COUNCIL ON POSTSECONDARY EDUCATION
OFFICE OF THE POSTSECONDARY COMMISSIONER

560 Jefferson Boulevard
Warwick, Rhode Island 02886

Enclosure 7d.
December 2, 2015

Barbara Cottam
Chair

TO: Members of the Council on Postsecondary Education

**Council on Elementary and
Secondary Education**

FROM: Jim Purcell, Ed.D., Commissioner for Postsecondary
Education

Daniel P. McConaghy
Chair

Date: November 13, 2015

Amy Beretta, Esq.

RE: Recommendation for acceptance of the audited financial
statements for URI, RIC, and CCRI for the Fiscal Year
Ended June 30, 2015.

Colleen A. Callahan, Ed.D.

Karin Forbes

O'Connor and Drew, P.C., has issued the financial statements
for the University of Rhode Island, Rhode Island College, and the
Community College of Rhode Island for the fiscal year ended June 30,
2015. Our institutions' audit reports will be included as component
units in the State of Rhode Island's financial statements for the fiscal
year ended June 30, 2015.

Jo Eva Gaines

Marta V. Martinez

Lawrence Purtill

Joyce L. Stevos, Ph.D.

**Council on Postsecondary
Education**

William Foulkes
Chair

In addition to the completed financial audits, O'Connor and
Drew will also complete the A-133 audits and provide management
letters for the three institutions which will be presented to the Board
at a later date. The A-133 audits are required for institutions that
receive federal funds covered under OMB Circular A-133 and the
deadline for these reports is November 30, 2014. Each of the
institutions' major federal programs is reviewed for compliance with
laws, regulations, contracts, and grants applicable to these federal
programs. The management letters provide comments by O'Connor
and Drew on the internal controls and operational matters of each
institution.

Michael Bernstein

Dennis Duffy, Esq.

The Honorable Thomas Izzo

Judy Ouellette

Kerry I. Rafanelli, Esq.

John J. Smith, Jr.

Dr. Jeffery A. Williams

These financial statements reflect the inclusion of the Governmental
Accounting Standards Board (GASB) Statement #68 - Accounting and
Financial Reporting for Pensions - An Amendment of GASB
Statement No. 27.

This statement requires that all financial statements for years
beginning on or after June 15, 2014 reflect any unpaid liabilities for

Defined Benefit Retirement Plans. While the Council on Postsecondary Education has had its own retirement plan since 1971 which is a Defined Contribution Plan and is fully funded, the Council employs many individuals who selected the State's pension plan when that selection was an option for them. Currently the obligations for these unfunded liabilities related to these employees is reflected in the statements as follows:

Prior Period Adjustment at 6/30/2015	
University of Rhode Island	\$101,690,807
Rhode Island College	36,110,443
Community College of Rhode Island	26,584,468
DHEA Division of OPC	3,025,755
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	\$167,411,473

The Finance and Facilities Committee has received the required disclosures from our external auditors and asked for additional information related to the financial statements of the three institutions. Our external auditors will be present this evening as well to provide the Council members with any additional information or insight that Council members may wish.

The financial statements are included in the packets for the Council members who are not members of the Finance and Facilities Committee.

Accordingly, I recommend:

THAT the Council on Postsecondary Education accepts the Audited Financial Statements for the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island for the fiscal year ended June 30, 2015.