

BIG SPRING SCHOOL DISTRICT

Newville, Pennsylvania

FINANCE COMMITTEE MEETING MINUTES

MONDAY, NOVEMBER 19, 2018

The Big Spring School District is an equal opportunity education institution and will not discriminate on the basis of race, color, national origin, sex, age, religion, and disability in its activities, programs, or employment practices as required by Title VI, Title IX, and Section 504. For information regarding civil rights or grievance procedures, or for information regarding services, activities, and facilities that are accessible to and usable by handicapped persons, contact the Superintendent of Schools, Title IX and Section 504 Coordinator, 45 Mt. Rock Road, Newville, PA 17241, at (717) 776-2412.

The Finance Committee of the Board of School Directors for the Big Spring School District met in the Big Spring High School Large Group Room, Room 140, at 6:00 p.m. with President Wilbur Wolf, Jr., President; William Swanson, Vice President; William Piper, Secretary; David Gutshall, Treasurer; Todd Deihl, Kingsley Blasco, Richard Roush and Robert Over

Others in attendance: Richard W. Fry, Superintendent; Kevin C. Roberts, Assistant Superintendent Richard Kerr, Jr. Business Manager; Vonda Kelso, Accounting Controller; Cathy Seras, Board Minutes; Robert Krepps, Technology Director

PRESENTATIONS:

1. Review Draft Financial Statements & Audit

- Scott Christ & Chris Schradley of Greenawalt & Company, P.C.

- a. Scott presented the audit report for the year ended June 30, 2018.
- b. Scott shared with the Board of School Directors the GASB that has gone into effect.
- c. Scott communicated there was no difficulty with the audit report and no disagreement with management.
- d. Chris shared there were no issues with the financial statements.
- e. Dr. Fry communicated that the financial statements that are being presented are on the District website for public view.
- f. Chris shared the district's assets are up this year due to the constructions projects within the district.
- g. Chris talked about the statements and funds listed.
 - Statement of Net Position
 - Statement of Activities
 - Governmental Funds
 - Reconciliation of the Governmental Funds Balance Sheet
 - Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds
 - Reconciliation of the Governmental Funds – Statement of Activities
 - Statement of Net Position Proprietary Funds
 - Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds
 - Statement of Cash Flows Proprietary Funds
 - Statement of Fiduciary Net Position Fiduciary Funds

- h. Chris stated that all statements are consistent and in good standing.
The statements are posted on the District website.
- i. Chris communicated that the Food Service Funds were all consistent and nothing was found out of the ordinary.
- j. Chris talked about the leases which will have to be booked on to the financial statements.
- k. Mr. Kerr stated that there are two big leases; which are teacher laptops and copy machines.
- l. Chris shared the financial statements on the Capital Assets
- m. Chris talked about the outstanding contract commitments as of June 30, 2018 which total \$7,568,000. The total cost of these projects for the year is as follows:
 - Middle School Abatement \$ 52,000
 - Newville Elementary School Expansion 6,440,000
 - Mt. Rock Roof Partial Replacement 1,155,000
 - High School Roof Coating 392,000
 - Mt. Rock Renovations 985,000
 - Middle School Renovations 1,857,000
 - High School Renovation 525,000
- n. Mr. Over asked is the district ok? Chris stated the district is in good shape.
- o. Chris shared the district was great to work with.
- p. Chris shared there were no problems in the Child Nutrition Cluster.
- q. Chris communicated while reviewing and putting together the federal schedule there was still a receivable on the Title I Funding. It was stated that the Title I report was not filed which required the auditors to issue a finding on the non-filing on the Title I report. Chris shared this was the only issue that was found during the audit.
- r. Dr. Fry communicated the Title I report was filed.
- s. Scott shared this was never an issue before and feels it was just an oversight.
- t. Dr. Fry stated there is a plan in place to avoid this issue again.

2. FY 20 Expenditures

- a. **Introduction – Dr. Richard W. Fry, Superintendent of Schools**
- b. **The Budget Calendar – Mr. Richard Kerr, Jr., Business Manager**
- c. **The Numbers – Mr. Richard Kerr, Jr., Business Manager & Mrs. Vonda Kelso, Accounting Controller**
 - Mrs. Vonda Kelso talked about the Capital Projects Fund Reserve Status which is \$7,395,815. With outstanding payments of \$230,469 and will put the available capital projects reserve balance at \$7,165,346.
 - Mr. Blasco asked if the project list was complete. Mr. Kerr stated the projects are complete.
 - Mrs. Kelso talked about the General Fund Balance as of June 30, 2018, which is \$10,596,375.

- Mr. Blasco asked when July 1, 2019 approaches what will the district have in fund balance at that time? Mr. Kerr stated; if there is income July 1, 2019 it will be added to the \$10,596,375, but he is projecting a small deficit.
- Mrs. Kelso talked about the construction funds and the balance of all the projects.
- Mr. Kerr communicated with the Board of School Directors the budget calendar listed:
 - **January 31, 2019** – school district deadline to make 2019-2020 proposed version of preliminary budget available for public inspection and adopt a resolution indicating that the district will not raise the rate of any tax by more than its index.
 - **April 15, 2019** – Board adopts proposed final budget.
 - **May 1, 2019** - PA Department of Education notifies school districts of the amount of their state allocation of property tax reduction. This only occurs if the Secretary of Budget certifies by April 15, 2019 that there are enough funds in the Property Tax Relief Fund to make a distribution to school districts in 2019-2020.
 - **May 13, 2019** – School District deadline to make 2019-2020 proposed final budget available for public inspection on the General Fund Budget from the CFRS application.
 - **May 22, 2019** – School District deadline to offer public notice of its intent to adopt the 2019-2020 final budget.
 - **June 3, 2019** – Big Spring School District adopts the 2019-2020 final budget & resolution implementing the homestead/farmstead exclusion.
- Mr. Kerr communicated the assessment history, assessed valuation and millage rate.
- Mr. Kerr briefed the Board of School Directors of the property tax calculator but will discuss further at the December 6, 2018 Finance Committee Meeting.
- Mr. Kerr stated the assessed valuation will go up within the 6-9 months.
- Mr. Wolf asked if the numbers were based on current millage rate? Mr. Kerr stated it is based on the current millage rate.
- Mr. Kerr shared the five-year projection summary.
- Mr. Kerr communicated the district is in a good financial situation.
- Mr. Kerr communicated the upcoming Board Finance Committee Meetings which are listed:
 - December 6, 2018 at 3:45 p.m. in the District Office Conference Room
 - March 18, 2019 at 6:00 p.m. in the High School Large Group Room
 - April 10, 2019 at 3:45 in the District Office Conference Room
 - May 20, 2019 in the High School Large Group Room
- Dr. Fry talked about the large increase in PSERS in the upcoming year.
- Dr. Fry continued to communicate that the public has access to this information.
- Mr. Over asked how does the district rank in taxes in Cumberland County? Dr. Fry stated that BSSD has the third highest millage in Cumberland County, but when you look at equalized mills it sits near the middle.

The Board Finance Conference Meeting adjourned at **7:10 p.m.**

William L. Piper, Secretary