

SPECIAL BOARD MEETING

October 29, 2015

1. OPENING ITEMS

- A. The special meeting of the Board of Trustees of Moscow School District No. 281 was called to order at 6:01 PM, October 27, 2015 by Dawn Fazio, Chair, pursuant to Idaho Code Sections 33-506 (2). The hearing was held in the Board Room of the District Office, 650 N. Cleveland St., Moscow, Idaho.
- B. A quorum of the Board was determined and trustees present were Dawn Fazio, Chair, Zone 4, Kim Campbell, Vice-Chair, Zone 3, Jim Frenzel, Zone 1, Eric Torok, Zone 2 and Margaret Dibble, Zone 5. Staff members present were Dr. Greg Bailey, Superintendent, Susan Clark, Business Manager, and Angie Packard, Board Clerk. There were also 5 patrons in the audience.

2. NEW BUSINESS

- A. Audit Presentation for Moscow Charter School (MCS) – Cade Konen, Hayden & Ross began by giving each board member a copy of the audit. He began with page 1 which is the independent audit report from Hayden Ross and stated that MCS's books are very clean and easy to audit. He then moved to page 5 and addressed few items on this page, notably the fact that their note is due and is reflected on this page. Cade gave a brief summary of how charter schools are audited in comparisons to a regular school district. It was noted that MCS has no major debts with the exception of their long term facility debt and have a very good cash flow. There was a question on the investments and discussion followed. Cade then moved on to page 6 and noted the **different** in revenue from 2014 to 2015 and this is due to an increase in state support because of an increase in enrollment. He moved to page 15 and addressed the items on it, beginning with General Funds. There was discussion on Title VI-B funds and how they are used. Cade then returned to the general funds and the actual fund balance the charter school has. Torok had a question about the donations on page 6 and the difference between 2014 and 2015. Cade explained that this is not a big concern and the MCS board chair explained that this was in part due to a large gift they received for their building in 2014. Cade then spoke on page 16, which lists the revenues, expenditures and changes in the fund balance and that MCS does a good job of setting a budget with the funds they have. Cade concluded the presentation by stating MCS had another good year. There were no further questions at this time. Campbell did ask about page 20 and Cade stated these are the special revenue funds.

Dr. Bailey noted that this is the second part of Moscow Charter School's annual accountability report.

RESOLUTION 16-43

RESOLVED: That the Board of Trustees of Moscow School District No. 281 hereby approves the 2014-2015 Annual Accountability Report for Moscow Charter School as presented.

Frenzel moved that the Board approve Resolution 16-43, seconded by Torok. The motion carried 4-0-0.

- B. Audit Presentation for Moscow School District - Jen Clark, Hayden Ross, gave the audit presentation for the District. She began by stating that the audited financial report is rather large. She then directed attention to the Table of Contents and stated that this section is not audited by them and if there are questions to direct them to Dr. Bailey or Susan Clark. Jen then moved on to page 2 and stated that this is a qualified opinion from the auditors. She explained why it was a qualified opinion and it is because of GASB 45. Cade then gave a brief explanation on what GASB 45 refers to. Jen then spoke on the Single Audit section that is in the back of the report and did note that this year was one of transition and learning for both her and Sue Clark, MSD Business Manager. She then directed

everyone's attention to page 10 and briefly discussed the items on the page and stated that there is \$15.5 million in assets, mostly due to the bond projects. She also addressed the long term debt. She noted that GASB 68 is required reporting on Pension Liability and is only listed on page 16. Cade then gave an explanation about the GASB 68 standard which deals with pension liability/assets. Dibble asked if this will be easier to figure out next year and Jen said yes. Jen referred to page 31 of the report and briefly spoke on the items listed on it. Cade noted that the numbers and narrative are provided by PERSI. Dibble then had a question about page 32 and asked about the reference to teachers. Jen did not have an explanation for this but Cade noted this relates to a life expectancy table. Jen then moved onto page 12 which is the balance sheet for the district and reviewed the items on the page. She noted the cash and investments for the District are very strong. She then moved onto page 14 which lists revenue and expenditures. The general fund increased by \$125,000 which is good. She noted that fund balances should cover at least one month of payroll expenses. The District's general fund revenue is 52% from the state and 46.5% from local sources and noted that page 41 breaks out the general fund. Jen stated that expenditures were up due to pay raises, leadership premiums and technology purchases. Frenzel had a question on page 41 which lists property taxes and Cade then stated that this is difficult to budget. There was further discussion on property taxes and how they are accounted for in the report. The last page Jen addressed was page 33 which is the capital bond project funds and pointed out the funds received from the city for the ball fields is listed on this page. She noted that this page does not list the other capital items that were purchased such as a tractor and the freezer. Campbell noted that the projections came in very close and thanked Sue for her work. Sue then stated that she is very grateful for the internal staff at the district office that worked so hard on this audit and she has learned a lot over the last four months. She stated she was also grateful to the Audit Committee for their work and guidance. Dr. Bailey is very appreciative of the involvement of Cade & Jen on the Audit Committee. He also gave kudos to the staff for their assistance and appreciation for Sue's diligence in getting through this audit. Cade then stated that Sue did a good job getting through the audit. Cade also spoke about the audit committee and questions they had about the bond projects and the legal ramifications on any disclosures. Dr. Bailey also said that any further disclosures related to the bond projects could affect any legal proceedings. Frenzel thanked Sue and the entire business office for their work.

RESOLUTION 16-44



RESOLVED: That the Board of Trustees of Moscow School District No. 281 hereby approves the 2014-2015 Financial Audit for Moscow School District as presented.

Dibble moved that the Board approve Resolution 16-44, seconded by Frenzel. Campbell had a question related to page 41 about the actual budget and amended budget. Jen stated that it is not spent and Cade gave a further explanation. The motion carried 4-0-0. Dawn thanked everyone for being here and for the good job.

3. ADJOURNMENT

With no further business, the meeting was adjourned at 7:30 PM.