



JORDAN-ELBRIDGE CENTRAL SCHOOL DISTRICT

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Audit Committee Meeting
Wednesday, September 6, 2017
District Offices, Room 150

Member(s) present:

D. Gallaro, P. Baum, S. Fordyce, J. Schue, R. Miller

Others present:

Raymond F. Wager, CPA

Minutes

- Mr. Gallaro called the meeting to order at 5:30 pm.
- The District's independent auditor, Mr. Wager distributed the Financial Executive Summary for the fiscal year ended June 30, 2017. He noted the following:
 - Assets are up \$425k. Liabilities are down \$395k
 - Equity is up \$820K. Most of this equity (\$781k) was put in the Capital Reserve.
 - The report details the reserve balances. Mr. Wager noted that reserves are in good shape and are reasonably funded.
 - There was a surplus in expenditures in 2017, but noted that it is less than the surplus in expenditures from 2016.
 - School lunch operations seem to be running well. Most schools operate at a deficit.
 - Debt Service fund had premium on obligations added this year, but that will be used toward debt in 17-18. The district has appropriated some of the Debt Service Fund Balance in the 17-18 budget.
 - The Capital Fund was active in 16-17. It shows a deficit because long-term financing has not yet been obtained.
 - The Entity-Wide Financial Statements were reviewed in detail. New GASB regulations require the liability for retiree health insurance be recorded but prohibit the district from funding this liability. This liability is \$33.6M.
- Mr. Wager distributed and reviewed the Management Letter.
 - Two very simple items were noted for 16-17:
 - 3 confirming orders
 - 1 1099 was not issued to an individual for services
 - He noted that the prior year recommendations have been implemented. These implemented procedures make for stronger internal controls.
- Mr. Wager summarized that this is a very "positive report" and that the "districts' finances are in good shape". He discussed good strategies relative to the funding and use of reserves – ie – budgeting a fixed percent of salaries each year for ERS. If the ERS rate increases by more than that fixed percent, the reserve would subsidize the increase. If the ERS rate was below that fixed percent, the difference could be added to the reserve.
- Mr. Wager's team will be back in the next month to complete the ECA audit.
- Mr. Gallaro adjourned the meeting at 6:20 pm.