

Cassopolis Public Schools
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Board of Education
Minutes
Special Meeting
November 3, 2014

This special meeting of the Cassopolis Board of Education was held on Monday, November 3, 2014 in the Board Meeting Room at Squires Education Center and began at 7:00 as President Ward welcomed those attending.

Members Present: George Calvert, Sue Horstmann, John Bright, Lisa Cutting, Scott Ward
Member Absent: Jeremy Carlisle, Jason Pompey
Also present: Tracy Hertsel, Becky Smith, Laura Ash, Robyn Bright, Dave VanLue, Cindy Martynowicz and member of the press

Lisa Cutting led the Pledge of Allegiance.

Approval of Agenda - **Moved by** George Calvert, **supported by** John Bright to approve the agenda, as presented. **Motion carried** 5-0, as follows: Horstmann, yes; Cutting, yes; Bright, yes; Calvert, yes; Ward, yes.

Approval of Minutes – **Moved by** George Calvert, **supported by** John Bright that the minutes of the October 27, 2014 regular meeting are approved, as written. **Motion carried** 5-0, as follows: Horstmann, yes; Calvert, yes; Cutting, yes; Bright, yes; Ward, yes.

Public Comment – None.

New Business – Discussion Items

Presentation of 2013-14 Audit –

Carol Patridge with Yeo & Yeo presented the 2013-14 audit. She said that the auditors are in district a couple of days for the preliminary field work, then information is sent to them electronically before they return to district for the official audit. Ms. Patridge said they also conduct tests of either the Title or Food Service programs to look at our reporting. They make sure all regulations are being followed. Ms. Patridge said the audit went very well, they had no audit adjustments but the Business Office found and made adjustments at the district level.

Ms. Patridge then reviewed all four documents: the audited financial statements; the single audit which is required because the district receives over \$500,000 in federal funds; the management letter and various graphs. The fund balance graph shows a decline over the last five years. She then reviewed page 5-1 which shows all budget categories.

Mrs. Ash said that regarding the business services line item, the state gives districts monies for retirement, and each month the district pays that money back. This calculation of revenue is based on gross wages from the prior year (2012-13). Due to significant layoffs they had to physically write off \$46,000 with the difference from one fiscal year to the next.

Ms. Patridge then reviewed the Food Service, Debt Service and Capital Projects Funds.

Mrs. Ash said in prior years these were grouped into one category. This year they separated them out to see exactly what each debt fund is paying and the revenue sources. She said that should have been done long ago.

Ms. Patridge said the single audit report is required because the district receives \$1.2 million in Federal revenue. She said that they tested the Title program this year. There was a finding on page 10 of the report that was related to account reconciliations not being done timely. She has confidence that Mrs. Smith and Mrs. Ash have a good handle on things, know where the numbers will be and she doesn't see this happening again.

Ms. Patridge said the other finding was the difference between the final expenditure report last year and what was on the actual trial balance. She said that this was reconciled and the differences were resolved. The Superintendent responded to those findings on page 12 of the single audit.

Ms. Patridge asked if there were any questions.

Mrs. Ash said she and Mrs. Smith are looking forward to next year. Issues that were found over the last couple of years were addressed. They attended a meeting today about some compliance issues that are changing effective in 2015-16, most being Title I at risk changes.

Mrs. Horstmann asked Mrs. Ash what she and Mrs. Smith believe are the highest factors that made up the \$610,000 deficit, taking into account that we had more expenditures than expected and funds recovered from insurance claims.

Mrs. Ash said the \$40,000 in retirement was part of it, as was snow removal from last year. She said that the general ledger is pretty scattered across the chart of accounts. Their goal is to educate administrators moving forward the importance of monitoring the budget and cost containment. The Board has been very good about encouraging these changes. Some areas can be tweaked to contain costs but they need everyone's part in the budget. Mrs. Ash said that she and Mrs. Smith goal is to provide assistance.

Mrs. Smith said there was a lot of right sizing programs to student enrollment.

Superintendent Report –

- Mr. Hertsel said that the varsity football team won Friday's playoff game in overtime and plays Bridgman there this Friday night.
- We are hosting varsity volleyball districts, and are playing Brandywine tonight.

There being no further business to come before the Board of Education it was **moved by** George Calvert, **supported by** John Bright to adjourn the meeting at 7:23 p.m. All in favor.

Susan Horstmann, Secretary