

**North Boone Community Unit School District No. 200**  
Minutes of the Business Services Committee Meeting  
District Office  
6248 North Boone School Road  
Poplar Grove, Illinois 61065  
Tuesday, September 6, 2011  
5:30 p.m.

**CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Chairperson Laura Zwart at 5:52 p.m. The following Committee members were present: Dr. Steven Baule, Mr. Tom Kinser, Mrs. Cathy Nelson and Mrs. Jeannine Plath. Absent were Ms. Emily Gregory and Mr. Mike Wesbecher. Mr. Don Ward and Mrs. Denise Balsley were also present.

**AUDIENCE TO VISITORS**

(No Audience to Visitors)

**REVIEW OF MONTHLY FINANCIALS (August)**

Mrs. Nelson stated that there were no additional changes to the budget at this time. The state has vouchered but not paid just under \$350,000 to the District from FY2011. Of this amount, \$179,000 is for Transportation and the remaining amount is for mandated categoricals. However, the amount owed by the state is less than was owed to the district at this time last year. The only vouchered but unpaid funds for FY2012 are for General State Aid.

At this time, the two big variables are the Capital Development Bond money and the Rockford School Safety Construction Tax, which can be used to pay down existing debt.

**OTHER ITEMS FOR DISCUSSION**

Use of Remaining Bonding Authority

Mrs. Zwart recalled that at the last Board meeting there was discussion about having several Board meetings or developing more detail on the budget. She requested a summary of assumptions be submitted at the next meeting so everyone can better understand the District budget, that a technology budget be developed and up-to-date projections from PMA be submitted.

Mrs. Zwart informed the Committee that she is currently reconciling the different wind farm tax revenue projections and would present them to the Committee as soon as possible.

Mrs. Balsley stated that Policy 4.60 states that administration must obtain three proposals for contracts over \$10,000 and present the results to the Board for approval. The Committee discussed whether the meaning of that policy was that all expenditures over \$10,000 must have an up or down vote by the Board or that the intent of the policy was that the Board be kept informed.

Mr. Ward suggested that the Committee review the list of items excluded by the *School Code* requiring bids and define whether it wants Board approval of those items.

Mrs. Balsley suggested that Policy 4.60 be on the next Business Services Committee agenda.

#### Miscellaneous

Mrs. Nelson introduced Mr. Richard Wolf, SVA Certified Public Accountants, who reviewed the highlights of the audit dated June 30, 2011. Mr. Wolf handed out a draft of the Financial Report to each Committee member. He noted that the audit report was 99% complete at this time.

The previous adverse opinion was primarily due to the lack of a complete listing of fixed assets. The auditors and Mrs. Nelson went back as far as possible on land and other fixed assets and have documented as much of the cost as possible for the last 7 years. Thus, the auditors' opinion is upgraded from adverse to qualified and approximately \$10.5M in accumulated depreciation was written off.

Mr. Wolf noted that the state wants to make sure the Board recognizes the district profile, which has improved from a score of 2.90 in FY2010 (Warning status) to 3.80 in FY2011 (Recognition status).

For the year ended June 30, 2011, the District adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which changed the terminology and classifications used to report fund balances.

ISBE's interpretation of GASB #10 resulted in Fund 80 (Tort Immunity) and Fund 70 (Working Cash) to be a component of the General Fund.

A single audit testing of two components; i.e., ARRA, which is high risk and the federal government is asking for more reporting, and Special Education resulted in no findings.

There are only two new management letter comments:

- Student Activity Fund Manual needed
- Payroll Direct Deposit should be 100%

Mr. Wolf informed the Board that once the partners of SVA sign off on this audit, the audit may be signified as "no significant changes." To summarize, this has been a good audit, and the final copy will be completed and ready for Board approval on September 26, 2011

### **ANNOUNCEMENTS**

The next Business Services Committee meeting was scheduled for 5:30 p.m. on Tuesday, October 11, 2011 at the District office.

The meeting adjourned at 7:04 p.m.

Submitted by:

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Laura Zwart, Chairperson