

**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT
BOARD FINANCE COMMITTEE MINUTES**



<u>BOE Committee:</u> Anthony Fleres (Chair) Yibao Xu Louisa Ho	<u>Administration:</u> David Aderhold Larry Shanok Lawrence LoCastro	<u>Guest/Public:</u> Scott Clelland, Wiss Anthony Branco, Wiss
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October 21, 2013

The meeting was called to order at 6:40 PM at the Central Office. Topics covered included:

2012-2013 Audit: Scott Clelland remarked that the district is in strong financial condition. The district received the highest possible audit opinion, once again; and, in recognition of its strong financial reporting received the Association of School Business Officials International's Certificate of Excellence in Financial Reporting for the fifth straight year. Fewer than two dozen New Jersey districts received this award.

Scott walked through the financial statements noting significant information and answering questions from the Committee. Close readers of the Comprehensive Annual Financial Report (CAFR) will note the change in nomenclature due to a recent change in financial reporting standards: where statements formerly included "net assets" the up-to-date language is now "net position."

The strong results from the 2012-13 fiscal year will allow the district to again balance tax relief and utilization of capital reserve. This is important as the district moves forward on the addition to Village without resorting to a bond referendum and seeks to get state approval for projects in the fourth round of the ROD grant program (which gives the district 40% of the eligible project cost) the Board will be well served to weigh opportunities to add to capital reserves.

Scott also reviewed the Management Report on Administrative Findings. He noted that there was one finding, which is the lowest number of findings in several years.

Review Agenda Items: The finance agenda has, in addition to the usual items, two items of note: the State of New Jersey has asked the district to revise its authorization of the fifth year of Sodexo providing food services. The revision is for a \$50 change to the guaranteed operating profit figure and brings the authorization in line with previously approved state documents. The state declared that state nutrition program funds would be delayed until they receive the revised board minutes. In addition, the district will place the monthly fire and safety drills on the agenda in the future; the state has not shown that there is any regulatory requirement for the agenda item, but has declared that NJQSAC points will be deducted in the absence of the agenda items. The Committee supports the agenda.

NJQSAC: The fiscal portions of the statements of assurance and district performance review items were reviewed. The final fiscal scores for the two previous NJQSAC cycles were 90 and 91%, well above the state target of at least 80%. Board approval of the NJQSAC documents will be on the agenda for the first November board meeting so as to meet State of New Jersey submission deadlines.

2014-2015 Budget: It was noted that the expected capital outlay budget of \$1.7 million will not fund a large portion of the \$11 million of nominated projects. This is especially true if significant technology expenditures are to come from the capital outlay budget. It will make sense to consider means of adding to capital reserve so as to be able to commit to the highest priority projects. The Facility Committee will have a challenging task to select from among the nominated projects.

It was noted that the Department of Education's county business administrator has stated at two consecutive county meetings that the DOE will be looking at proprietary fund balances that strike the DOE as being large. In the district, there are two proprietary funds: one for food service and another for community education. Food Service balances are already constrained by federal rules limiting the balance to no more than three months of expenditures. The district intended to fund a significant portion of the Village addition from the Community Education balance. It may be prudent to utilize this balance in a significant amount and as soon as is feasible.

Second Quarter Unemployment Compensation: It has taken several years, but quarterly unemployment compensation tax levies have returned to former levels, as has the balance in this account.

Technology Refresh Update: Technology provided a note indicating that expenditures for the last technology refresh cycle went as planned at about \$655,000.

Job Description: Work required within the central office has shifted and intensified in recent years. Examples are burgeoning health benefit laws and regulations and the flood of curricular mandates from the State of New Jersey. With the retirement of our excellent, long serving accounts payable supervisor, thought is being given on reorganizing the division of labor within the central office to best make efficiencies and strengthen internal controls. A key element in this process is a new position: supervisor of accounts; this position will have aspects of the current confidential secretary position and the accounts payable supervisor position.

This position will then provide the opportunity for additional shifts. Overall the number of central office positions is not expected to increase. While allowing for effective business office activity the shifts are expected to provide strengthening of the human resource and curriculum departments too. The job description will be on the upcoming board agenda.

The meeting adjourned at 8:28PM.

NEXT MEETING: Tuesday, November 19, 2013, 6:30 PM @ Central Office

Topic for Next Meeting

Review Agenda Items
2014-15 budget
Round Four ROD Grants
Construction Management Services

Future Topics:

Impact of Recent Legislation
Policies