



**WEST WINDSOR-PLAINSBORO REGIONAL SCHOOL DISTRICT  
BOARD FINANCE COMMITTEE SUMMARY NOTES**

**October 11, 2017  
Central Office  
7:00 PM**

<u>BOE Committee:</u> Louisa Ho (Chair) Rachel Juliana Yu "Taylor" Zhong	<u>Administration Liaison:</u> David Aderhold Christopher Russo Lawrence LoCastro	<u>Guests/Public:</u> Scott Clelland, Wiss & Co. Darin Valentine, Wiss & Co.
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The committee met at 7:00 PM, October 11, 2017, at the Central Office. Topics covered included:

Audit Discussion: Scott Clelland and Darin Valentine from Wiss attended the Finance Committee to present the audit for the 2016-17 school year. They stated that the district is in strong financial condition and received the highest possible audit opinion. Mr. Clelland walked through the financial statements mentioning significant information and answering questions from the Committee. Emphasis was placed on the C-1 Schedule which is the primary financial statement relevant to the district's decision making.

The 2016-2017 fiscal year results will once again give the Board of Education an ability to balance tax relief and utilization of capital reserve. Mr. Clelland's overall observation was that the district's financial situation is very good and its internal controls are sound. He noted that the district received the Association of School Business Officials International "Certificate of Excellence in Financial Reporting" for its Comprehensive Annual Financial Report for the ninth time and the work product this cycle suggests that another will be earned this year. The Board will receive a draft of the CAFR prior to accepting the report at the November 14 Board of Education meeting.

The committee discussed the change in the amount of available balance. There were economies found during the last fiscal year. District special education tuitions that were expensed from the prior year to be spent in 16-17 were liquidated during the year. The confusion in the CST office has been corrected. Health benefits closed out with an increase in available balance due to a lesser than estimated increase and a decrease in prescription premium due to a change in plans. There was an increase in available balance in the transportation lines as well due to anticipated transportation issues that were avoided. The amount of capital reserve allowed compared to the amount of capital reserve held by the District was also discussed. The District's capital reserve amount is nowhere near the cap.

The Finance Committee expressed its appreciation for the efforts put forward to ensure a successful audit. The Committee is in support of the formal steps to accept the audit and submit the audit report to the State of New Jersey.

Audit Services Letter – Management Report: Mr. Clelland also reviewed the Management Report on Administrative Findings. The report is based on a series of tests of the district's internal controls. He observed that our internal controls were strong. He noted that there were no findings this year. In his experience a district generally has one or two findings; most school districts have three or four findings and some districts more.

Review Agenda Items. The committee reviewed the proposed agenda items for the October 17 Board of Education meeting, which included: bill payment list, monthly finance reports, disposal of obsolete equipment, one change order, a new Co-op vendor, staff professional development travel, and a joint transportation agreement. The Committee recommends approval of the agenda items.

2018-2019 Budget. The Committee discussed items for the 2018-2019 budget. Facilities repairs must be a priority. There are a few big ticket items such as athletic surfaces and HVAC units, but there are also many smaller projects that should be completed such as flooring, painting, wall and ceiling surfaces, doors and mechanical issues. Health benefits will always be an issue with the NJ State Health Benefits increasing by more than 13% January 2018.

NJQSAC – Statement of Assurances (SOA). Statements of Assurance are complete and ready to be submitted to the County Office of Education for review.

Other Business. Various other topics were discussed including:

**Buses and Transportation:** There are four buses that have hit the end of their allowable useful life and need to be replaced. The District uses the Hunterdon Education Cooperative Pricing Agreement to purchase buses. The estimated total cost will be a little more than \$350,000.

**Maintenance Equipment:** There are two pickups used for maintenance that are in need of replacement. One is a 2004 Chevy 2500 with 120,436 miles that overheats regularly along with other issues. The other is a 2005 Chevy 2500 with 125,655 miles with the same issues. They are needed for plowing snow along with regular use. The Ford front end loader year and hours not known is in need of more than \$12,000 in repairs and the front bucket is inoperable at this time. We need to replace these items through state contract.

**Facility Repairs:** In the Millstone River School recently, as a result of ongoing HVAC issues, the humidity levels were unacceptable so dehumidifiers were purchased to make the classrooms more comfortable to the students and staff. Eighty dehumidifiers were purchased last Friday through various vendors using either State Contract or Co-operative pricing.

**Food Service:** Dr. Russo shared that the Department of Agriculture is requiring that all District with food service vendors bid their contracts as “fixed price basis” instead of “cost reimbursement basis”. This method will reduce the control the district has over the food service operations. Vendors will be responsible for all payments for food purchases. The district will lose some control of the process as the “bottom line” will drive the food service vendors operation compared to the current process where that cost can be passed on to the district.

The meeting ended at approximately 9:10 pm.

**NEXT MEETING: Tuesday, November 21, 2017, 7:00 P.M. @ Central Office**

Topic for Next Meeting  
Review Agenda Items  
2018-2019 Budget  
CAFR

Future Topics:  
Impact of Recent Legislation  
Policies