

Lehighton Area School District
Lehighton, Pennsylvania
Finance Committee Meeting
Monday May 14, 2018 at 6:00 PM

Minutes

Present

Andrew Yenser	Present
Richard Beltz	Present
Rita Spinelli	Present
Brian D. Feick	Present
Tina Champ	Present
Jonathan Cleaver	Present (Left approx. 6:30 p.m.)
Larry Stern	Present (Left approx. 7:00 p.m.)

Meghan Christman- Recording Secretary

Auditor Presentation/Questions

- The lead auditor and partner, Don Pierce, attended the meeting to give a brief presentation about the auditing process and acknowledge any board member questions or concerns
 - Explained there are two parts to the audit
 - The first part of the audit focuses on reviewing processes, internal controls, prepare audit confirmations, review board minutes and planning and assessing risks
 - The second part of the audit focuses on field work by comparing the audit confirmations from the first part of the audit to the district books for accuracy, testing account balances, testing compliance, auditing federal awards, finalizing financial statements and reviewing them for compliance and consistency and completeness and confirming the financial statements match the AFR that was sent to the Department of Education
 - Each year the audit includes an unpredictability test
 - Mr. Stern suggested the auditors focus on the construction bills
 - Mr. Feick explained that the auditors to focus on the construction bills but the state requires a separate audit

- Mr. Feick stated the public has expressed concerns that the employees are being paid according to their contracts
 - Mr. Pierce stated that is part of the audit but he will make sure there is more emphasis on it this year
- Mr. Yenser stated that he would like the auditors to make sure all bills go through the proper levels of approval
- Mr. Feick questioned Mr. Pierce to see if he had any recommendations for tracking inventory of smaller items
 - Mr. Pierce asked if items are being taken
 - Mr. Feick and Mr. Cleaver explained that there have not been any reports of missing items; it is a public concern
 - Mr. Pierce stated a tagging system can be good as long as the benefit outweighs the cost of the software. Offered to talk to other districts to see what they use and if it works well for them
- After the audit is complete, the auditors can meet with the committee to highlight the major parts of the audit
- Mr. Yenser questioned Mr. Pierce if he had any concerns about the last audit
 - Mr. Pierce said there is nothing in particular that concerns him but thought it was interesting that tagging was discussed because that is one of the more challenging parts of the audit
- Mr. Feick asked Mr. Pierce for a brief explanation of why it is required for net pension liability to be included on the reports
 - Mr. Pierce stated it is an attempt to recognize the liability for the pension that has already been earned by existing employees when they retire
 - Mr. Feick stated that financial reports show that the district has \$119 million in liability but \$56 million of that is a pension liability that wasn't required on financial reports previously. Loan debt is approximately \$58 million
 - Mr. Pierce stated that it is a number the state allocated to the district from the state pension plan

George's Transportation Daily Run Bills for Approval

- All committee members agreed to pay the April 2018 transportation bill

2018-2019 Budget/PDE 2028 Recommend to Advertise

- Last month the reports showed using about \$350,000 of the fund balance, down to using \$263,000 of fund balance
- By law the board needs to approve a preliminary final budget and advertise it to the public for at least 20 days prior to adopting the final budget
 - Board can still make changes between the day that they advertise and the day they adopt a final budget

- Homestead Farmstead amount went up \$5,000
 - Didn't receive exact numbers yet
 - Will have the numbers for the June meeting
- Committee members unanimously agreed to recommend the advertisement of PDE-2028 the board
- The 2020 projection indicates that the district will need to save additional money or have some type of increase
- Discussion on possible real estate tax elimination on the state level

BoardDocs Proposal (Public Side)

- A website that gives the public access to board documents
 - \$9,500 a year plus \$1,000 startup fee
 - The Committee said to continue looking for more options
- The new reports that will online for the public will not include check numbers due to recent bank account scam
 - Discussion on recent bank account scam

Open Discussion

- Discussion on refinancing bonds
 - Mr. Feick asked if he could speak to PFM and Jens Damgaard at no cost to the district about bond swaps options
 - Mr. Damgaard used to be with Rose & Simon but is now with Eckert Seamans Cherin & Mellott; Mr. Feick asked if he had permission to transfer our files to Mr. Damgaard at his new firm
 - Committee agreed to allow Mr. Feick to speak to PFM and Mr. Damgaard

Meeting adjourned at 7:05 p.m.

Next Meeting Date: Monday June 11, 2018 6:00 p.m.
BDF/mmc